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Rates: $26/yr.; $44/2 yrs.; $59/3 yrs. Please add $10 outside the United States and Canada.

The National Interest (ISSN 0884-9382) is published quarterly in Spring, Summer, Fall and Winter with the cooperation of The Nixon Center. Articles appearing in this journal are abstracted and indexed in *P.A.I.S.*, *Historical Abstracts*, *International Political Science Abstracts*, *U.S. Political Science Documents*, *Political Science Abstracts*, and *America: History and Life*; articles are available on microfilm from University Microfilms International, and archived on *Lexis-Nexis*. Periodicals postage is paid at Washington, DC, and at additional mailing offices. © 2004 by The National Interest, Inc. *The National Interest* is printed by Kirby Lithographic Co., Inc. It is distributed in the U.S. and Canada by Ingram Periodicals (1240 Heil Quaker Blvd., La Vergne, TN 37086-7000; 615-793-5522) and Bernhard DeBoer (113 East Centre Street, Nutley, NJ 07110; 973-667-9300) and in the UK by Comag Special Services (Tavistock Road, West Drayton, Middlesex UB7 7QX; 44-1895-444055). BPA International Member since 2000.

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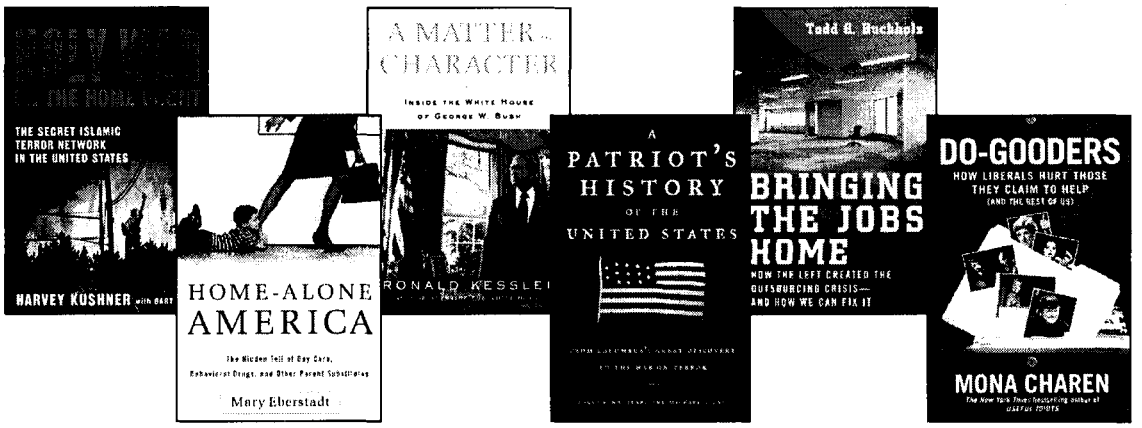
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Wagging the Dog

Nikolas K. Gvosdev & Travis Tanner

ABSENT A CLEAR and present danger to its national security, no ally of the United States should seek to dictate American foreign policy, especially a policy deleterious to America's pursuit of its own vital interest. Allies may try, but the United States need not humor them. Indeed, prudence dictates that states that enjoy the benefits provided by America's international leadership and directly depend upon the United States for security would understand the critical importance of not obstructing U.S. interests. Lastly, the United States should not have to accept a *fait accompli* that is injurious to the other relationships America cultivates to accomplish its pressing tasks.

Americans are understandably sympathetic to the national aspirations of their democratic allies. But enthusiasm for promoting the cause of other states—no matter how close or beloved—ought not to lead America's decision-makers and opinion-shapers to endorse policies that might not only harm the national interests of the United States, but severely damage the international order America has spent its blood and treasure over half a century to construct.

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After all, the United States does not have the luxury to take rash or reckless risks in its foreign policy, because its actions affect the entire world. George H.W. Bush understood this clearly. When dealing with domestic and international critics alike who condemned him for not exploiting the unraveling of the USSR to radically redefine the status quo in Europe and Asia, he replied that the United States had "special responsibilities" not to take "hasty" decisions that could contribute to international instability.[1]

Even as the world's sole remaining superpower, the United States does not have unlimited resources to cope single-handedly with all of the challenges that threaten not only its own interests but the peace and prosperity of its allies. Combating international terrorism, stemming the proliferation of weapons of mass destruction, stabilizing failed states and ensuring continued access to stable supplies of energy—all these require the active cooperation of other states. America's efforts are weakened if its relations with Russia assume the character of a "Cold War lite"; if it is on a collision course with China; or if it is unable to engage effectively the Arab and Muslim world. These are the realities of the present world, plain and simple.

Regretfully, some of Washington's

[1] *New York Times*, August 27, 1991.

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associates do not seem to understand these realities, and they assume that America's capacity to protect and defend them is infinite. So what happens when the chief executives of states that remain dry under the umbrella of U.S. power and fervently proclaim that they are America's most reliable allies in their respective parts of the world, choose to pursue policies—optional policies, really—that complicate America's efforts to be effective on the world stage? The question is not rhetorical. Over the course of this year, for example, the presidents of Taiwan (Chen Shui-bian) and Georgia (Mikheil Saakashvili), each in pursuit of his political agenda, have taken steps that have needlessly complicated U.S. relations with China and Russia, in defiance of clear requests from Washington. It bears repeating that in each case—Chen's pursuit of formal independence for Taiwan and Saakashvili's brinkmanship in the Caucasus—these steps are not only harmful to critical American interests, but arguably do not even serve the national interests of Taiwan or Georgia.

NO ONE questions the commitments made by the United States to either Taipei or Tbilisi. The "Taiwan Relations Act" (TRA) of 1979 requires the United States to "provide Taiwan with arms of a defensive character" and "to maintain the capacity of the United States to resist any resort to force . . . that would jeopardize the security . . . of the people on Taiwan." The TRA was designed to dissuade the People's Republic of China (PRC) from using force to promote reunification and to encourage a peaceful resolution of cross-Strait issues. The United States has on many occasions demonstrated its resolve to Beijing through weapons sales, public statements and deployments of the Sixth Fleet.

Similarly, since the dissolution of the Soviet Union in 1991, the United States has repeatedly communicated to Moscow that attempts to reincorporate the newly independent states into a union by force would be viewed as a hostile act. It has poured hundreds of millions of dollars in aid to help solidify Georgian independence, including military assistance designed to equip "the Georgian armed forces to help with their own internal security problems", in the words of the vice-chair of the Joint Chiefs of Staff, General Peter Pace.

Washington has made it absolutely clear that it will protect Taiwan and Georgia against any unprovoked and unwarranted aggression on the part of their neighbors. But alliance with the United States is not a blank check, and being democratic is not a license for mischief.

President Chen Shui-bian's recent actions, however, have raised tensions in the Taiwan Strait. Though Beijing has never abandoned its "one China" position and so refuses to renounce the use of force to prevent Taiwan from becoming a separate, sovereign state, China has accepted the current situation. This permits Taiwan to function as a democracy and to remain a key player in the global economy, as long as the goal of eventual reunification is not taken off the table—a state of affairs that many in Taiwan also favor maintaining.

Earlier this year, however, over U.S. objections, Chen called for an island-wide referendum (held on March 20) ostensibly to protest the deployment by the PRC of missiles aimed at Taiwan. Many concluded it was a "dry run" for a referendum on outright independence.[2] In another provocative move, Chen appointed

[2]The measure was defeated because only 45 percent of eligible voters cast ballots. Not casting a ballot was a way for a voter not only to oppose the measure but to ensure the referendum would have no standing, since more than 50 percent of voters must take part for a referendum to be binding.

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Taiwan's first openly "pro-independence" foreign minister, Mark Chen.[3] Finally, in his May 20 inaugural address, Chen took his most controversial step yet—he pledged that he would, before leaving office in 2008, "hand to the people of Taiwan and to our country a new version of our Constitution." The Beijing leadership views Chen's proposed constitutional overhaul as tantamount to a declaration of independence. Many in the PRC claim that it could even precipitate war. The former chairman of Chen's own DPP party, Hsu Hsin-liang, stated in early August that "under the leadership of President Chen Shui-bian, cross-strait relations will remain in deadlock and, eventually, *a war will be inevitable*" (emphasis added).

SINCE TAKING office in January, Georgian President Mikheil Saakashvili has taken a page straight out of Chen's playbook, employing brinkmanship tactics to promote his goal of "national reunification." (Zviad Gamsakhurdia, Georgia's first post-Soviet president, in his attempt to create a unitary and ethnically "pure" state, touched off separatist movements more than a decade ago as ethnic minorities in South Ossetia and Abkhazia sought to preserve their Soviet-era autonomy. These conflicts drew in Russia, which was concerned about the prospects for instability along its southern border. And while the behavior of some Russian peacekeeping forces and politicians may leave much to be desired, the fact remains that Moscow has repeatedly rejected the petitions of the secessionist regions for admission to the Russian Federation, leaving intact the possibility for reunifying Georgia.)

The Bush Administration thought it made its position clear: It wanted Georgia's territorial integrity to be restored in a peaceful manner that engaged Russia as a partner in promoting stability in the Caucasus.[4] Yet this past August, Saakashvili embarked on a series of saber-rattling exercises against separatists and Russia: Georgian forces fired on a cargo vessel entering the breakaway region of Abkhazia; senior officials, including the president, threatened the safety of civilian tourists visiting Abkhazia's Black Sea coast; and skirmishes resumed between Georgian and South Ossetian forces. These nationalist provocations may excite passions among his core supporters, but they needlessly complicate not only U.S.-Russia relations, but Georgia's own long-term national interests. After all, despite massive amounts of U.S. assistance, Russia remains Georgia's economic lifeline—a fact unlikely to change even as the country pursues reforms and seeks admission to Euro-Atlantic institutions.[5] Realities rooted in

[3]Chen lived in the United States as a political exile for thirty years, during which time he headed the Formosan Association of Public Affairs (FAPA), the U.S.-based pro-Taiwan-independence lobbying group. One expects to see him push for more American involvement and support for Taipei's quest for greater independence.

[4]Washington took Saakashvili's statements at face value that "a loose federal state is unavoidable, in order to make peace with Abkhazia and South Ossetia" and thought that upon taking office, the new president would choose to reunite the fractured republic through negotiations. It also welcomed his comments in February when he declared, "I believe Russia should become our reliable partner and we should improve our relations." The first quote is taken from Robert Kaplan, *Eastward to Tartary* (Random House, 2000), p. 248.

[5]Georgia is entirely dependent upon Russian firms for gas and electricity supplies to provide power and heat. Up to 1.2 million of the Caucasian republic's 5.5 million citizens work in Russia, and the funds they send home comprise more than 50 percent of the country's income.

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geography and economics are stubborn impediments for those who believe the United States should whisk Georgia out of its neighborhood on a magic carpet. Recognizing such concerns, President Bush has repeatedly emphasized that, from the American perspective, "It's important that relations between Georgia and Russia be positive."

But the steps taken by both leaders put key American foreign-policy priorities—fighting terrorism, combating proliferation and securing the global energy supply—at risk. While the United States supports democratization in both Taiwan and Georgia, Washington cannot issue a blank check to Tbilisi or Taipei, nor should it sacrifice its more essential relationships with China and Russia. Chen and Saakashvili may think each can afford a one-dimensional relationship with Beijing and Moscow, respectively; the United States cannot.

Chen's actions have put crucial U.S. national interests in Asia at risk—the most critical being China's support for efforts to resolve the North Korean nuclear standoff. They threaten to harm a burgeoning economic relationship with China, derail Sino-American cooperation in the area of WMD proliferation and curtail Beijing's support for the War on Terror in the region. Chen's policies have placed a great deal of strain not only on U.S. relations with China but with other key Pacific allies such as Japan, South Korea and Australia, who fear being drawn into a cross-Strait clash. As Australia's former Deputy Defense Secretary, Paul Dibb, observed,

> We don't want Beijing to think that we could ever condone an unprovoked attack on a democratic Taiwan. But the present Taiwanese leadership's toying with the idea of a declaration of independence is highly dangerous.

And a clash between Beijing and Taipei would not only destabilize all of East Asia, but put the United States and China on a collision course that would threaten the current U.S.-led international system.

While Russia and the United States have worked to defuse tensions stirred up by Saakashvili in the Caucasus,[6] these irritants complicate the U.S.-Russia relationship. Indeed, as the crisis flared up, the United States was asking Russia to increase exports of energy to world markets (a commitment President Putin reaffirmed on August 23). Given recent developments in Afghanistan, the United States needs Russia to exercise its influence within the Northern Alliance to ensure stable elections this October. Finally, a whole host of security matters across the entire arc of Eurasia require joint U.S.-Russian efforts to succeed.

Yet Chen and Saakashvili would not have proceeded in their plans if they had not received vocal support from some segments within the Congress, encouraging them to "stand up" to Beijing and Moscow. Mixed messages from U.S. officials about support for democratic allies led both leaders to conclude that they could transform American security guarantees against aggression into blank checks to pursue their own agendas.

THE UNITED States has to be able to strike a balance between honoring its security guarantees and being able to pursue its core national interests. And this is so even with regard to Israel.

America's commitment to the security of Israel is one of our most sacrosanct

[6]Already one possible conflict earlier this spring—the standoff between Saakashvili and Adjarian regional strongman Aslan Abashidze, who enjoyed close relations with Russian political and business leaders—was averted only because cooler heads prevailed in both Washington and Moscow, allowing for an eventually peaceful settlement (when Russia facilitated Abashidze's departure into exile).

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foreign policy obligations. During the Yom Kippur War, President Nixon put American nuclear forces on alert to deter the Soviets from intervening on behalf of their Arab clients. The United States refused to reconsider its support for Israel even when faced with an oil embargo that wreaked havoc with the American economy.

But that does not mean America can or must support whatever decisions an Israeli leader takes, especially if such policies grievously injure vital U.S. interests elsewhere in the region. If important Israeli national security interests are at risk, that is one thing. This is why realists support Israel's anti-terrorism efforts, including the construction of a barrier to prevent suicide bombers from reaching civilian targets.

But support for Israel is only one component of America's foreign policy objectives in the Middle East. The 9/11 Commission report aptly concluded that efforts to stem terrorism

> should be accompanied by a preventive strategy that . . . must focus clearly on the Arab and Muslim world. . . . Neither Israel nor the new Iraq will be safer if worldwide Islamist terrorism grows stronger.

Indeed, America's three most pressing national interests—terrorism, energy and non-proliferation—require active engagement with the countries of the Middle East on American terms.

Yet America's standing in the Islamic world is now at an all-time low. Of course, matters other than the Israeli-Palestinian dispute have contributed to this. Yet, rightly or wrongly, both the elites as well as the masses throughout the Arab and Islamic worlds see U.S. conduct largely through the prism of the Arab-Israeli conflict.[7] Unless there is a viable Israeli-Palestinian peace process, then movement on all issues in the Middle East—including effective efforts to combat terrorism and proliferation—is unlikely. (It turns out that the road to Jerusalem does not run through Baghdad after all.)

The United States is currently supporting Prime Minister Ariel Sharon's risky plan to facilitate a complete Israeli withdrawal from the Gaza Strip in return for increasing the number of settlers within existing blocs on the West Bank. He is not without reasons for doing so. If Sharon succeeds, it sets a precedent that even the Likud party no longer views all Jewish settlements in the occupied territories as sacrosanct and inviolable. But the difficulty is that the United States is viewed throughout the rest of the region as accepting every decision taken by the Sharon government. Moreover, Sharon's plan to increase the number of settlers on the West Bank—as necessary as it might be to win support from within the Likud party for a withdrawal from Gaza—does not contribute to the security of Israel. It does not encourage the Palestinians or Israel's neighbors to come to the negotiating table. (In fact many Israelis themselves argue that this plan will have precisely the opposite effect.)

If Sharon's gamble fails, moreover, the United States has no contingency plan for resuscitating a peace process. Though some grumble that peace processes are but vacuous exercises in talk, it is useful to recall that during the Oslo period some Arab countries began to talk openly about initiating relations with Israel and to propose a whole host of joint economic and development projects with the Jewish State. And Washington's unwillingness to use its leverage to slow down the further development of the settlement infrastructure

[7]See the results of recent polls as reported by Dafna Lizner, "Poll Shows Growing Arab Rancor at U.S.", *Washington Post*, July 23, 2004; See also Brian Whitaker, "Polls Apart", *Guardian*, July 26, 2004.

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on the West Bank may imprudently obstruct its own vision of a peace process and ultimately a genuine settlement between Israel and the Palestinians based on a two-state solution—a position not only endorsed by the Arab world and our long-standing European allies but by the Bush Administration itself.

No realist would ever put Israel's security at risk as a price for improved relations with the Islamic world. That said, America's shrunken credibility in the region would be strengthened greatly if America's policy were clearly grounded in a grand-strategic vision rooted in a realist assessment of American interests.

HIGH-MINDED realists, indeed, advocate making a distinction between honoring commitments to the security of partners like Taiwan, Georgia and Israel and allowing our allies to use such commitments to define America's relationship with China, Russia and the Islamic world. They are especially aware that damage to relations with Moscow and Beijing affect the stability and longevity of the unipolar era, whereas ruffling the egos of politicians in Taipei and Tbilisi do not. They also recognize that despite any short-term advantages won by the sword in the Middle East, the long-term success of American policy in that strategic part of the world—including the strategy of encouraging moderate, democratic forces to rise to the fore in Islamic societies—depends on engaging the states of the region rather than isolating or overthrowing them.

The United States has never sought to turn its partners into obedient satellites. America is not in the empire game. Historically, Washington has offered alliance on easy terms, placing few demands on its associates. But such a non-imperialist relationship cuts both ways. While America will protect its friends from unprovoked aggression, it has no moral obligation to endanger its own interests and the international system by squandering its power on peripheral issues simply out of loyalty to runaway allies who pursue highly questionable objectives. And surely the request that America not be drawn into avoidable disputes is a reasonable one.

Ronald Reagan understood well the need to balance America's aspirations with its interests. In the darkest year of his stewardship over the Cold War, he wrote in his diary:

> Some of the NSC staff are too hard line and don't think any approach should be made to the Soviets. I think I'm hard line and will never appease. But I do want to try to let them see there is a better world if they'll show by deed that they want to get along with the free world.[8]

Ronald Reagan, in contradistinction to some of his advisors, "accepted the world as it was and tried to make it how it could be"; Today, those who encourage our runaway allies to act in tension with our interests "see the world as it could be and act as if it already is."[9] Ronald Reagan never succumbed to that temptation. Nor should we. □

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[8]Cited by Jack F. Matlock, Jr. in the foreword to *Reagan and Gorbachev: How the Cold War Ended* (New York: Random House, 2004).

[9]Damjan de Krnjevic-Miskovic, "Ronald Reagan: Liberator of Nations", www.inthenationalinterest.com, June 9, 2004.

Letters to the Editor

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Letters

A Principled Objection

Roger Scruton is not alone is his contempt for the precautionary principle ("The Cult of Precaution", Summer 2004). The Bush Administration's chief policymaker on regulation, Dr. John Graham, has dismissed it as "a mythical beast, much like a unicorn." And it is easy to find examples in which efforts to protect someone from risk turn out, on reflection, to have been counter-productive. It is, however, also easy to find examples in which waiting to take precautionary measures against a risk turned out to be serious errors as well—such as the systematic poisoning of generations of urban children in the United States with leaded gasoline.

As Scruton points out, there are two ends of the spectrum. One is the case in which someone takes a risk for themselves. We all do this. We may accept chemotherapy if we have cancer because we believe the risk is worth the potential gain. With drug regimens, we do require full information and informed consent by the patient. But if informed consent can be obtained, the argument for preventing adults from making these decisions for themselves are weak.

But the precautionary principle is typically applied to risks at the other end of the spectrum—risks imposed by one party on another for the benefit of the first—normally without the consent of, the knowledge of, or any compensation to, the party put at risk.

One doesn't need the precautionary principle or the nanny state to find such imposed risks objectionable. In the United States, coal companies and utilities continue to argue that they should be allowed to put mercury into the air, the water, and eventually the fish that many of us eat. They argue that the harm is inadequately demonstrated, the exact relationship between a particular emission and a final consumer of large-mouth bass imprecise, and the cost (to them) too high in relation to the benefit (to mothers serving fish to their daughters).

But where did the Southern Company obtain the right to place mercury into the waters of Georgia? Where did oil refineries obtain the ownership of the lungs of the families that live near them so that they can utilize people as disposal mechanisms for the emissions from their flares?

Strictly speaking, we ought to insist that informed consent be obtained in all such cases. But we know that this is infeasible and would allow a single Luddite to bring to a halt any activity impacting a common resource such as air and water. The precautionary principle is, when viewed in this light, simply a matter of deciding where to place the burden of proof. It says that you can't put someone else or his property at risk for your benefit without his consent. And it says that if you don't have solid information that your activity doesn't harm me even though it impacts me, I can say "no thank you." It does *not* say you can't do something that involves uncertainty or that you can't take risks in the presence of uncertainty. It says you can't *impose* risks in the presence of uncertainty without the informed consent of those put at risk.

Scruton and Graham ostensibly object to this decision-making rule because it makes society too risk averse. (Hypochondriac is Graham's word.) Scruton says we will produce a society unable to take risks when an emergency demands it. But this conflates the healthy practice of learning to take responsibility for ourselves, which does involve calculating and comparing and then taking some risks, and the irresponsible practice of acting as if we had the right to ease our own cost-benefit choices by export-

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ing some of our risks to others.

It is hard to avoid the suspicion that what really drives the opponents of environmental prudence crazy is that it places the individual autonomy of the powerless on a higher level than the economic imperatives of the powerful—who in most human societies for most of human history have seen it as a prerogative of leadership to impose risks upon the everyone else.

CARL POPE
Executive Director
The Sierra Club

Despot Watch

I enjoyed Joe Bob Briggs's amusing portrait of Muammar Qaddafi ("The Q-Man", Winter 2003/04). However, in speculating that Qaddafi may champion his daughter Aisha as his successor, Briggs curiously claims this scenario would create "the first female head of a Muslim state." Where does this leave Tansu Ciller, Benazir Bhutto, Khaleda Zia, Sheikh Hasina Wazed and Megawati Sukarnoputri. Am I missing anyone? Or did Briggs mean the first female head of an *Arab* state?

NORMAN WARE
Rome, Italy

History Hurts

Neil McInnes's "Requiem for a Genocide" was a fine piece. I greatly enjoyed reading it and I sympathized with its line of argument. Still, while dismissing spurious charges of European colonial genocide, one may note the inevitable injury caused by an encounter between a Neolithic and a Paleolithic culture, such as in Australia—or indeed the harm that is a natural concomitant of nation-building or nation-defense.

Inevitable injury is more than collateral damage. It is what happens to any ecosystem, including political ecosystems, as a consequence of any human activity, no matter how necessary, legitimate, or protective of the "environment" it may be. Inevitable injury results even from the most justifiable examples of immigration or nation-building. The Earl of Selkirk's Scottish settlers meant no harm to anyone in the Hudson Bay Company's lands in the early 19th century, but their very presence threatened the livelihood of Metis buffalo hunters in present day Manitoba, and resulted in what became known as the Pemmican War after a 1816 massacre of several colonists at Seven Oaks. The American Revolution uprooted about 50,000 settlers from the Thirteen Colonies and caused them to emigrate to today's Nova Scotia, Quebec and Ontario. The United Empire Loyalists suffered considerable hardship during their dislocation; they suffered losses of life and limb as well as of property.

Had the expression been in vogue then, their case might have been described as one of ethnic (or rather dynastic or ideological) cleansing or perhaps self-cleansing. The loyalists became refugees. Their injury was the inevitable result of the Thirteen Colonies justified desire for independence that eventually created the United States of America. There is no escaping the fact that history hurts.

GEORGE JONAS
Toronto, Canada

The Hispanosphere

Valentí Puig's "Spain's Atlantic Option" (Summer 2004) makes a well-argued case for a Euro-Atlantic orientation for Spain and offers a very useful analysis of the emerging network civilization of the Hispanosphere. Yet he wonders whether the idea of the Hispanosphere is "an idea whose time has either gone or not yet truly arrived." It is the weight of his own analysis that demonstrates that the momentum of economic, social and political trends is overwhelmingly on the side of this phenomenon. Zapatero's election and Spain's consequent turn toward Paris can only be a speed bump along this road, and a minor one at that.

I very much hope that this article can serve as a starting-point for further discussion. Such a dialogue should not fail to include three questions. One is what institutional arrangements might better serve to support and accelerate this productive collaboration among the Hispanosphere nations. The second is whether Spain's European structural ties might come into conflict with its Hispanosphere vocation, and if so, how might they be restructured to accommodate this end. The third is whether the larger framework of the developed world, including structures such

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as NATO and the OECD, might not benefit by recognizing and encouraging emerging network-civilization vectors of cooperation. Indeed, it is worth asking whether an architecture of linked and overlapping network civilizations might not be a preferable alignment for the future, rather than one of regional (and increasingly opposed) blocs.

A dialogue around these questions could ask, for example, whether market-integrative mechanisms beyond current Mercosur-EU ties might usefully link the Iberian nations with Latin America. It might even be worth considering whether a common currency linking Iberia with Mercosur might be preferable to the euro for Spain. Such an Ibero-Atlantic community might also become a development vector for nations like Angola.

"Civilizational" analysis has usually been linked with a fairly pessimistic and deterministic reading of the matter, as if civilizations are inevitably fated to clash and do so catastrophically. Yet it is no more given that any two civilizations must necessarily fatally clash than that any two nations must do so. In constructing Anglosphere and Hispanosphere institutions within the broader framework of collaboration within the set of all free and open societies, we have the chance to present the positive side of the civilizational vision, a Concert of Civilizations from which no culture or people can ultimately be excluded.

Zapatero and his party will soon discover that the Franco-German vision of Europe is not a solution to Spain's problems nor even to France's and Germany's. By persevering with the Euro-Atlantic option, Spanish conservatives have a chance to prepare an alternate vision that will gather increasing luster as the Fortress Europa vision tarnishes.

JAMES C. BENNETT
President
The Anglosphere Institute

Iraq at the Turn

Your symposium ("Iraq at the Turn", Summer 2004) provided an extraordinarily full and informative review of the country and our troubled region. Among many insightful contributions, John Thomson & Hussein Hindawi ("Rescuing the Future") provided the most workable formulae yet for the handling of Iraq's petroleum wealth. And Amir Taheri's "Thinking Through Liberation" was particularly important for its strong and persuasive arguments against western skepticism about democracy's chances of success in the region.

During my years as a student and businessman in the United States, I saw every day the good heartedness and concern for others central to the American ethic. But Americans must also be patient and willing to allow the processes of peace and democratization to develop over time with the support of the United States. It will take five to ten years for good men and women in Iraq to develop their version of a free and open society. It will take as long or longer to convince old-guard tyrants elsewhere in the region that they must either change or make plans for retiring to calmer climes.

To secure a better future for our region, free market democracy must be given a fair chance to succeed in Iraq. If the seeds of freedom take root there, a more enlightened system of governance will have a chance to spread throughout our region and—finally!—to reclaim our cultures from the regressive and repressive decades through which our peoples have suffered. If that happens, the United States and the entire world may enjoy a respite from radical Islamic terrorism, as social satisfaction then spreads through the region. But that future success depends on America showing courage and patience today.

MAHAMAD KHALIL
Cairo, Egypt

Resetting the Gauge

I would like to call attention to a mistake made by Michael O'Hanlon and Adriana Lins de Albuquerque ("Gauging the Aftermath", Summer 2004). The authors include Costa Rica among a group of nations withdrawing their troops from Iraq. It is widely known that Costa Rica abolished its army more than fifty years ago and therefore no troops could be dispatched nor, logically, withdrawn from Iraq.

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In Defense of Democratic Realism

—Charles Krauthammer

ON FEBRUARY 10, 2004, I delivered the Irving Kristol Lecture to the American Enterprise Institute outlining a theory of foreign policy that I called democratic realism. It was premised on the notion that the 1990s were a holiday from history, an illusory period during which we imagined that the existential struggles of the past six decades against the various totalitarianisms had ended for good. September 11 reminded us rudely that history had not ended, and we found ourselves in a new existential struggle, this time with an enemy even more fanatical, fatalistic and indeed undeterable than in the past. Nonetheless, we had one factor in our favor. With the passing of the Soviet Union, we had entered a unique period in human history, a unipolar era in which America enjoys a predominance of power greater than any that has existed in the half-millennium of the modern state system. The challenge of the new age is whether we can harness that unipolar power to confront the new challenge, or whether we rely, as we did for the first decade of the post-Cold War era, on the vague internationalism that characterizes the foreign policy thinking of European elites and American liberalism.

Charles Krauthammer is a syndicated columnist for the *Washington Post*, an essayist for *Time* magazine and a member of the editorial board of *The National Interest*.

The speech and the subsequent AEI monograph[1] have occasioned some comment. None, however, as loquacious as Frank Fukuyama's twelve-page rebuttal in the previous issue of *The National Interest*.[2] His essay is doubly useful. It is a probing critique of democratic realism, yet demonstrates inadvertently how little the critics have to offer as an alternative.

Democratic Realism

IN MY SPEECH I describe the four major schools of American foreign policy. *Isolationism* defines the American national interest extremely narrowly and essentially wishes to pull up the drawbridge to Fortress America. Unfortunately, in the age of the supersonic jet, the submarine and the ballistic missile, to say nothing of the suitcase bomb, the fortress has no moat, and the drawbridge, as was demonstrated on 9/11, cannot be drawn up. Isolationism has a long pedigree, but today it is a theory of nostalgia and reaction. It is as defunct post-9/11 as it was on December 11, 1941, the day the America First Committee disbanded.

More important is *liberal internationalism*, the dominant school of American

[1] Krauthammer, *Democratic Realism: An American Foreign Policy for a Unipolar World* (Washington, DC: AEI Press, 2004).

[2] Fukuyama, "The Neoconservative Moment", *The National Interest* (Summer 2004).

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liberalism and of the foreign policy establishment. Its pillars are (a) legalism, the construction of a web of treaties and agreements that will bind the international community in a normative web; (b) multilateralism, acting in concert with other countries in pursuit of "international legitimacy"; and (c) humanitarianism, a deep suspicion of national interest as a justification for projecting power—hence the congressional Democrats' overwhelming 1991 vote against the Gulf War, followed by a Democratic administration that launched humanitarian military interventions in Haiti, Bosnia and Kosovo. Liberal internationalists see national interest as a form of communal selfishness and thus as inimical to their true objective: the construction of a new international system that mimics domestic society, being based on law, treaties, covenants, understandings and norms that will ultimately abolish power politics. To do so, liberal internationalism is prepared to yield America's unique unipolar power piece by piece by subsuming it into the new global architecture in which America becomes not the arbiter of international events but a good and tame international citizen.

The third school, *realism*, emphasizes the primacy of power in international relations. It recognizes that the international system is a Hobbesian state of nature, not to be confused with the settled order of domestic society that enjoys a community of values, a monopoly of power, and most important, an enforcer of norms—all of which are lacking in the international system. Realism has no use for a liberal internationalism that serves only to divert the United States from its real tasks. The United States spent the 1990s, for example, endlessly negotiating treaties on the spread of WMD, which would have had absolutely no effect on the very terrorists and rogue states that are trying to get their hands on these weapons.

Realism has the virtue of most clearly understanding the new unipolarity and its uses, including the unilateral and preemptive use of power if necessary. But in the end, pure realism in any American context fails because it offers no vision beyond power. It is all means and no ends. It will not play in a country that was built on a proposition and that sees itself as the carrier of the democratic idea.

Hence, the fourth school, *democratic globalism*, often incorrectly called neoconservatism. It sees the spread of democracy, "the success of liberty", as John F. Kennedy put it in his inaugural address, as both the ends and the means of foreign policy. Its most public spokesmen, George W. Bush and Tony Blair, have sought to rally America and the world to a struggle over values. Its response to 9/11 is to engage in a War on Terror whose essential element is the global spread of democracy.

Democratic globalism is an improvement on realism because it understands the utility of democracy as a means for achieving global safety and security. Realists undervalue internal democratic structures. They see the state system as an arena of colliding billiard balls. Realists have little interest in what is inside. Democratic globalists understand that as a rule, fellow democracies provide the most secure alliances and most stable relationships. Therefore the spread of democracy—understood not just as elections, but as limited government, protection of minorities, individual rights, the rule of law and open economies—has ultimately not just moral but geopolitical value.

The problem with democratic globalism, as I argued in my address, is that it is too ambitious and too idealistic. The notion, expressed by Tony Blair, that "the spread of freedom is . . . our last line of defense and our first line of attack" is a bridge too far. "The danger of democratic globalism", I wrote, "is its universalism, its open-ended commitment to human freedom, its temptation to plant the flag

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of democracy everywhere." Such a worldwide crusade would overstretch our resources, exhaust our morale and distract us from our central challenge. I therefore suggested an alternative, *democratic realism*, that is "targeted, focused and limited", that intervenes not everywhere that freedom is threatened but only where it counts—in those regions where the defense or advancement of freedom is critical to success in the larger war against the existential enemy. That is how we fought the Cold War. The existential enemy then was Soviet communism. Today, it is Arab/Islamic radicalism. Therefore "where it really counts today is in that Islamic crescent stretching from North Africa to Afghanistan."

An Existential Threat

AT ITS MOST fundamental, Fukuyama's critique is that I am misreading the new world because there is no existential struggle. By calling our war with Arab/Islamic radicalism existential, I exaggerate the threat and thus distort the whole fabric of American foreign policy. "Krauthammer", he writes, "speaks of the United States as being in the midst of a bitter and remorseless war with an implacable enemy that is out to destroy Western civilization." "Speaks of"—as one might speak of flying saucers. In reality, asserts Fukuyama, "Al-Qaeda and other radical Islamist groups aspire to be existential threats to American civilization but do not currently have anything like the capacity to actualize their vision."

Fukuyama apparently believes that the phrase "not currently" saves him from existential peril. But the problem is that precisely as we speak, Al-Qaeda is energetically trying to make up for the deficiencies from which Fukuyama so complacently derives comfort. When Hitler marched into the Rhineland in 1936, he did not "currently" have the means to overrun Europe. Many Europeans believed, delusionally, that he did not present an existential threat. By Fukuyama's logic, they were right.

What defines an existential threat is intent, objective and potential capability. Existential struggle is a struggle over existence and identity. Until it lost heart late in life, Soviet communism was utterly committed to the eradication of what it called capitalism, in other words, the entire way of life of the West. Its mission was to do to the world what it had done to, say, Lithuania and Czechoslovakia—remake it in its image. Existential struggle is a fight to the end—extermination or, even better, conversion. That is what distinguishes it from non-existential struggles, in which the contending parties in principle can find compromise (over territory or resources or power).

Fukuyama is unimpressed with radical Islam because, in his view, it lacks the global appeal of such true existential threats as communism and Nazism. But Nazism had little global appeal. A master-race theory hardly plays well among the other races. Did it really have more sympathizers and fifth columnists in the West than does Islamism today? Islamist cells are being discovered regularly in just about every European capital, and some even in the United States. And these, of course, are just the fifth columnists we know about. The thought is sobering, given how oblivious we were to the presence among us of the 9/11 plotters. Just because Islamism in the West may not, like its Nazi or communist counterparts, take the form of a political party or capture Western celebrity intellectuals, does not minimize the threat or the power of its appeal. Radical Islam does not have its Sartre or its Pound. It is the conceit of intellectuals to think that this counts for more than a Richard Reid, armed this time not with a shoe-bomb but a nuclear suitcase or consignment of anthrax.

Disdaining the appeal of radical Islam is the conceit also of secularists. Radical

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Islam is not just as fanatical and unappeasable in its anti-Americanism, anti-Westernism and anti-modernism as anything we have ever known. It has the distinct advantage of being grounded in a venerable religion of over one billion adherents that not only provides a ready supply of recruits—trained and readied in mosques and *madrassas* far more effective, autonomous and ubiquitous than any Hitler Youth or Komsomol camp—but is able to draw on a long and deep tradition of zeal, messianic expectation and a cult of martyrdom. Hitler and Stalin had to invent these out of whole cloth. Mussolini's version was a parody. Islamic radicalism flies under a flag with far more historical depth and enduring appeal than the ersatz religions of the swastika and hammer-and-sickle that proved so historically thin and insubstantial.

FUKUYAMA does not just underestimate the power of religion. He underestimates the power of technology. He is trapped in the notion that only Great Powers can threaten other Great Powers. Because the enemy today does not resemble a Germany or a Japan, the threat is "of a lesser order of magnitude." For a realist, he is remarkably blind to the revolution that technology has brought. The discovery of nuclear power is the greatest "order of magnitude" leap in potential destructiveness since the discovery of fire. True, the atomic bomb was detonated half a century ago; but the democratization of the knowledge of how to make it is new. Chemical and biological weapons are perhaps a century old; but the diffusion of the capacity to develop them is new. Radical Islam's obvious intent is to decapitate the American polity, cripple its economy and create general devastation. We have seen what a mere 19 Islamists can do in the absence of WMD. We have seen what but two envelopes of mail-delivered anthrax can do to the world's most powerful capital. Imagine what a dozen innocuous vans in a dozen American cities dispersing aerosolized anthrax could do. Imagine what just a handful of the world's loose nukes, detonated simultaneously in New York, Washington, Chicago and just a few other cities, would do to the United States. America would still exist on the map. But what kind of country—and what kind of polity—would be left? If that is not an existential threat, nothing is.

Fukuyama, of course, has a stake in denying the obvious nature of the threat, having made his reputation proclaiming the "end of history", which, if it means anything, means an end to precisely this kind of ideological existential threat. One can understand how he would be loath to acknowledge that history has returned, that the 1990s were not the end of history but a holiday from history, and that we find ourselves once again, sadly but unmistakably, with everything at stake. But he goes further. He has so persuaded himself in denial of this new reality that he needs some psychological reason to account for why I and other neoconservatives are so inexplicably convinced that we are in an existential struggle. His answer: Neoconservatives apparently identify so strongly with Israel that they have come to confuse America's predicament with Israel's. Neoconservatives think United States is in the same boat as Israel. Fukuyama points out that it is not.

This is bizarre. Of course the United States is not in the same predicament as Israel. So what? You do not have to be Israel to be existentially threatened. If Israel's predicament represents the standard for existential threat, then the West never experienced it during the six decades of anti-fascist, anti-communist struggle that Fukuyama himself insists was existential. Israel is threatened with Carthaginian extinction. France was conquered by Nazi Germany, and is still France today. Poland and Hungary were conquered by the Soviet Union, and have

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become Poland and Hungary again. If Israel had been conquered in any of its wars, it would not be Israel today, nor ever again. Simply not matching up to the Israeli standard says nothing about whether one is engaged in an existential struggle.

What is interesting about Fukuyama's psychological speculation is that it allows him a novel way of Judaizing neoconservatism. His is not the crude kind, advanced by Pat Buchanan and Malaysia's Mahathir Mohamad, among others, that American neoconservatives (read: Jews) are simply doing Israel's bidding, hijacking American foreign policy in the service of Israel and the greater Jewish conspiracy. Fukuyama's take is more subtle and implicit. One is to understand that those spreading the mistaken idea that the War on Terror is existential are neoconservatives so deeply and unconsciously identified with the Jewish state that they cannot help seeing the world through its eyes.

What makes this idea quite ridiculous is that the leading proponents of the notion of existential threat are George Bush and Tony Blair. How did they come to their delusional identification with Israel? The American war cabinet consists of Dick Cheney, Colin Powell, Don Rumsfeld and Condoleezza Rice. They speak passionately of the existential nature of the threat to the United States. Are they Marranos, or have they been hypnotized by "neoconservatives" into sharing the tribal bond?

"Neoconservatism"

FUKUYAMA entitles his critique, "The Neoconservative Moment", a play on the first exposition of my theory, "The Unipolar Moment", published 14 years ago.[3] His intent is to take down the entire neoconservative edifice. His method is to offer a "careful analysis" of "Krauthammer's writings, particularly his AEI speech", because "his strategic thinking has become emblematic of a school of thought", that is, neoconservatism.

What Fukuyama fails to understand is that there are two major strains of neoconservative thinking on foreign policy, not one. There is the democratic globalism advocated by Blair and Bush and long elaborated by such thinkers as Robert Kagan and Bill Kristol. And there is the democratic realism that I and others have long advanced. Both are "democratic" because they advocate the spread of democracy as both an end and a means of American foreign policy. But one is "realism" because it rejects the universalist scope and high idealism of democratic "globalism" and always requires geopolitical necessity as a condition for intervention. This is hardly just a theoretical debate. It has very practical consequences. They were on stark display just half a decade ago, when there was a fundamental split among conservatives on the question of intervention in the Balkans. At the time, Kagan and Kristol (among many others) were strong advocates of intervention in the Balkans and of the war over Kosovo. I was not. I argued then, as I argue now, that while humanitarian considerations are necessary for any American intervention, they are not sufficient. American intervention must always be strategically grounded. In the absence of a strategic imperative, it is better to keep one's powder dry, precisely because that powder might be necessary to meet some coming strategic threat. On 9/11, that strategic threat revealed itself.

At the time of Kosovo, many realists took the same position I did, while many democratic globalists (lazily just called "neoconservatives") took the opposite view and criticized my reservations about intervention as a betrayal of democratic

[3]Krauthammer, "The Unipolar Moment", *Foreign Affairs* (Winter 1990/91).

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principles. Fukuyama's essay does not just conflate these two distinct foreign policy schools. He repeatedly characterizes me as a champion of democratic globalism, the school with which I explicitly take issue. (Thus: "his [Krauthammer's] own position that he defines as 'democratic globalism'. . . .") It is odd in the extreme to write a long critique of a speech and monograph entitled Democratic Realism and then precis that critique thus: "Krauthammer's democratic globalism fails as a guiding principle of foreign policy and creates more questions than answers." Perhaps Fukuyama believes that he alone has a proprietary right to the word "realism." Perhaps he believes that by misrepresenting me as a globalist he can then identify me with every twist and turn of the Blair and Bush foreign policies.

One of the reasons I gave this speech is that I thought the universalist, bear-any-burden language of both Blair and Bush to advance the global spread of democracy is too open-ended and ambitious. The alternative I proposed tries to restrain the idealistic universalism with the realist consideration of strategic necessity. Hence the central axiom of democratic realism:

> We will support democracy everywhere, but we will commit blood and treasure only in places where there is a strategic necessity—meaning, places central to the larger war against the existential enemy, the enemy that poses a global mortal threat to freedom.

FUKUYAMA finds this central axiom "less than helpful as a guideline for U.S. intervention" because "it masks a number of ambiguities." He asks the following questions.

Does "global" here mean threats that transcend specific regions, like radical Islamism or communism?

Yes.

If the enemy's reach has to be global, then North Korea would be excluded from the definition of a "strategic" threat.

Yes. North Korea is a discrete problem. Islamism is not our only problem, no more than Soviet communism was our only problem in the second half of the 20th century. There can be others, though they are of a lesser order. North Korea is not on a deliberate mission to spread *Juche* communism around the globe or to destroy the United States. Its mission is regime survival, with intimations of threat to South Korea. Its ambitions do not extend beyond that. Which is why it is a very different kind of threat from the existential Arab/Islamist one we face, and falls outside the central imperative. It needs to be contained. But there is no imperative for its invasion, overthrow and reconstruction—unless we find that, for commercial and regime-sustaining reasons, it is selling WMD to our real existential enemy. Under these circumstances it would be joining the global war on the other side.

Or does "global" instead mean any mortal threat to freedom around the globe?

Any serious threat to what was once known as the "free world" as a whole is "global." In the 1930s and 1940s, that meant fascism. In the second half of the 20th century, that meant communism. Today it means Arab/Islamic radicalism.

Does the fact that an "enemy" poses a mortal threat to another free country, but not to us, qualify it as our "enemy?"

No.

Is Hamas, an Islamist group which clearly poses an existential threat to Israel, our enemy as well?

As it defines itself today, as an enemy of Israel, no. Were it to join the war on the United States, then the answer would be yes.

Is Syria?

Because of its hostility to Israel? No. To the extent, however, that it allies itself with and supports the jihadists in Iraq, it risks joining the enemy camp.

And if these are our enemies, why should we choose to fight them in preference to

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threats to free countries closer to home like the FARC or ELN, which threaten democracy in Colombia, or Hugo Chavez in Venezuela?

We should not. See above.

What makes something "central" in this global war?

Whether a change in the political direction of a state or territory will have an important, perhaps decisive, effect in defeating Arab/Islamic radicalism. Afghanistan meets that test. So does Iraq.

Legitimacy

THIS IS NOT terribly complicated. What then is Fukuyama's quarrel with democratic realism? He seems to accept democratic realism as a theory but then condemns it in practice because ... well, because of Iraq. He has enthusiastically joined the crowd seizing upon the difficulties in Iraq as a refutation of any forward-looking policy that might have gotten us there, most specifically, any unilateralist, nation-building policy that got us there. Iraq, he says, is a mess, and the experience proves two things: the importance of "international legitimacy" and the futility of U.S. nation-building among Arabs.

On legitimacy, Fukuyama endorses my view that international support does not confer superior morality upon any action—other nations are acting out of self-interest, not priestly wisdom. He admits that the United Nations has "deep problems with legitimacy", and that Kosovo demonstrated that our European allies themselves do not believe in the necessity of legitimization through the Security Council. Nonetheless, he charges me with being too dismissive of the practical utility of international support and approval.

But no one denies the utility of international support. Of course there are practical advantages to having Security Council approval, NATO assistance or whatever political cover that might induce, say, India or Turkey to offer assistance. You seek whatever approval, assistance, cover you can get. You even make accommodations and concessions to get it. None of this is in dispute. The only serious question is how far you go. Is "legitimacy" a limiting factor? When you fail to get it, do you abandon the policy? Should we have abandoned our policy of regime change in Iraq—military force being the only way to achieve it—because we lacked sufficient cover?

Fukuyama seems to be saying yes, we should have—although he deploys a Kerry-like ambiguity about what he would actually have done. He seems to be saying that we should have deferred to the opposition of our allies and to the absence of an international consensus, and not invaded Iraq—and that our experience in the aftermath of the war supports that prudential judgment.

But this assumes two things:

First, that a lack of legitimacy is the cause of our postwar problems. Our central problem, of course, has been the Sunni insurgency and the Moqtada Sadr rebellion. I hardly think that either of these groups, or the foreign jihadists who have come to join them, are impressed by UN resolutions. Indeed, the Security Council passed a unanimous postwar resolution legitimizing the American occupation. The UN even established a major presence in Baghdad right after the war. The insurgents were unimpressed: They blew the UN headquarters to smithereens. It is possible that we will fail to defeat these insurgencies, but the "legitimacy deficit" will hardly be the reason.

Second, it assumes that the choice in March 2003 was between invasion and postwar difficulties on the one hand and pre-invasion stability on the other. It assumes there were no serious prudential considerations that impelled us towards war. Of course the lack of Franco-German support made things more difficult. Of course the lack of international consensus

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constituted a prudential reason not to invade. But Fukuyama assumes these were the only prudential considerations, that doing nothing about Iraq had no cost, that the Iraq problem before the war was in some kind of sustainable equilibrium. It was not. The tense post-Gulf War settlement was unstable and created huge and growing liabilities for all concerned, most especially for the United States. First, it caused enormous suffering for the Iraqi people under a cruel and corrupt sanctions regime—suffering and starvation that throughout the Middle East and in much of Europe were blamed squarely on the United States. Second, the standoff with Iraq made it necessary to maintain a large American garrison in Saudi Arabia, land of the Islamic holy places—for many Muslims, a provocative and deeply offensive presence. Indeed, in his 1998 fatwa against the United States, Bin Laden listed these two offenses as crimes numbers one and two justifying jihad against America.

Moreover, the sanctions regime was collapsing. That collapse was temporarily halted by the huge pre-war infusion of American troops into Kuwait that forced the Security Council to reaffirm the sanctions—but only as a way to avert an American invasion. The troop deployment was itself unsustainable. Upon its withdrawal, the collapse of the sanctions regime would have continued, resulting in a re-energized and relegitimized regime headed by Saddam (and ultimately, even worse, by his sons) that was increasingly Islamicizing its Ba'athi ideology, re-arming and renewing WMD programs, and extending its connections with terror groups. As the quintessential realist Henry Kissinger wrote recently—in the full light and awareness of our postwar troubles—of "the calculus for preemption":

> Could the United States wait until weapons were actually produced by a country with the largest army in the region, the second-largest potential oil income, a record of having used these weapons against its own population and neighbors, and—according to the Sept. 11 commission—intelligence contact with Al-Qaeda?[4]

There is no dispute that a paucity of international support is a prudential consideration in any major decision. But in Iraq, the paucity of international support is not the source of our troubles today, and before the war it was far outweighed by the prudential considerations in favor of removing Saddam. And finally, in any decision, the legitimacy issue is never decisive. In the 1980s, our European allies were almost universally opposed to American support for the Nicaraguan Contras. The common opinion of mankind was that American imperialism was trying to bring back Somozism. The policy had zero "international legitimacy." If Fukuyama's belief in international legitimacy is real, that should have been grounds for abandoning the policy—a policy that was right at the time and that history has decisively vindicated.

Nation-Building

THE LAST OF Fukuyama's questions about my "central axiom" was this: Was Iraq central to the war against radical Islamism? I believe it was and is. I argued that before the war, and I believe it is all the more true today. September 11 led to the inexorable conclusion that a half-century of American policy towards the Arab world had failed. Ever since Franklin Roosevelt made alliance with King Ibn Saud, the United States has chosen to leave the Arab world to its own political and social devices, so long as it remained a reasonably friendly petrol station. The arrangement lasted a very long time. Had 9/11 never happened, it would have lasted

[4]Kissinger, "Better Intelligence Reform", *Washington Post*, August 16, 2004.

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longer. The policy of Arab exceptionalism was never enunciated, but it was universally understood: America was pursuing democratization in Europe, East Asia, South and Central America—everywhere except the Arab world. Democratization elsewhere was remarkably successful and was the key to stability and pacification. The Arab exception proved costly. On 9/11, we reaped the whirlwind from that policy and finally understood that it was untenable. We could continue to fight Arab/Islamic radicalism by catching a terrorist leader here, rolling up a cell there. Or we could go to the heart of the problem and take the risky but imperative course of trying to reorder the Arab world. Success in Iraq would be a singular victory in the war on radical Islam. Failure in Iraq would be a singular defeat.

I never underestimated the task. I have written before, during and after the war that the task was enormous, the risk great and failure possible—but that the undertaking was necessary.

Fukuyama never addresses the necessity question. Instead, he invokes our difficulties and setbacks to discredit the very idea of nation-building in the Middle East, not just because of local conditions but because Americans are no good at nation-building. Iraq is a fool's errand that was bound to fail:

> We have been our usual inept and disorganized selves in planning for and carrying out the reconstruction, something that was predictable in advance.

Curiously, however, Fukuyama never predicted it in advance. He waited a year to ascertain wind direction, then predicted what had already occurred. At the time of decision before the war, Fukuyama now tells the *New York Times*, he had private doubts which he kept to himself: He did not think the war was wise, but "for all I knew, it might have worked."[5] At the time, then, failure was *not* "predictable in advance", after all.

And how does he come to predict now? He writes as if the history to come has already been written. It has not. Iraq is rid of Saddam, and its future is in play. We are in the midst of a generational struggle, both in the War on Terror in general and in the reconstruction of Iraq. Fukuyama's unmistakable conclusion that Iraq is lost is, to put it mildly, premature. It is reminiscent of John Dos Passos's famous 1946 essay, "Americans are Losing the Victory in Europe."[6] We have made serious mistakes in Iraq. We may yet fail. But Fukuyama's conclusion that Americans are simply no good at nation-building is retrospective presumption. We have succeeded in the monumental task of reconstructing Germany, Japan and South Korea. We failed in Haiti and Somalia. What was the principal difference? Great knowledge of the local culture? Democratic tradition? In Korea we did not have any great knowledge of the culture nor did Korea have a democratic tradition upon which to draw. Yet South Korea is a remarkable success.

What was the key? Strategic value. When the stakes were high, and correctly perceived at home as such, we stayed the course and devoted the requisite effort and time to succeed. Where the strategic stakes were minimal, as in Haiti or Somalia, we failed because we correctly understood that nation-building is a huge task and that these places were not remotely worth the cost. The single most important factor in the success of nation-

[5] David Kirkpatrick, "War Heats Up in the Neoconservative Fold", *New York Times*, August 22, 2004.

[6] Dos Passos, "Americans are Losing the Victory in Europe", *Life* (January 7, 1946). The ring is familiar: "'We've lost the peace', men tell you. 'We can't make it stick.' . . . Never has American prestige in Europe been lower. . . . We have swept away Hitlerism, but a great many Europeans feel that the cure has been worse than the disease."

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building is seriousness.

To say that the country that rebuilt Germany and Japan and South Korea from rubble—perhaps the three greatest achievements in nation-building ever—is intrinsically no good at the job is silly. And if that is the case, by the way, should we not be cutting our losses in Afghanistan as well, since it is far more tribal, primitive and underdeveloped than Iraq?

WHAT IS remarkable about Fukuyama's pessimism about the spread of democracy in an enormous swath of humanity and amid one of its most venerable civilizations is that not long ago he declared that all of humanity had already made the critical turn toward democracy and its triumph was inevitable. As he now admits, "I, more than most people, am associated with the idea that history's arrow points to democracy." Except among Arabs, it seems. One searches Fukuyama's essay for a single "hearts and minds" idea to give "history's arrow" a bit of nudge in this critical region. What does one find? A single passing reference to the Bush Administration's "Greater Middle East Initiative", a tepid State Department aid and exchange program of democratic engagement—already hopelessly watered-down and understood by all to be a façade.

This will not do. Before 9/11 we were content to wait passively for however many generations it took for the Arabs to achieve what had been achieved with the help of American (often military) intervention in Europe, East Asia and the Americas: democratization, modernization and pacification. After 9/11 we no longer have the luxury of time.

The rejection of nation-building, whether on grounds of American incompetence or Arab recalcitrance, reduces the War on Terror to cops-and-robbers, to fighting Al-Qaeda operatives here and there, arresting some, killing others in some cave. It simply does not get to the root of the problem, which is the cauldron of political oppression, religious intolerance and social ruin in the Arab-Islamic world—oppression transmuted and deflected by regimes with no legitimacy into the virulent, murderous anti-Americanism that exploded upon us on 9/11. You cannot be serious about post-9/11 foreign policy unless you confront this reality.

What is to be Done?

HOW DOES Fukuyama confront this reality? What is his alternative to democratic realism? The most bizarre part of his essay is the conclusion. When he finally comes around to offering an alternative, his three-point "recalibration", as he calls it, is so insignificant that he himself admits to "falling in Krauthammer's fourth 'democratic globalism' basket"—that is, he endorses the very foreign policy to which he ostensibly had such fundamental objections.

Of what does this three point "recalibration" consist?

1. "In the first instance, doing the simple work of diplomacy and coalition-building that the Bush Administration seemed reluctant to undertake prior to the Iraq War." Now, one can hold in high or low regard this administration's display of diplomatic skill in the six-month run-up to the Iraq War. But to imply that the administration did not work to build support both in the Security Council and outside it is absurd. It worked hard but fell short. What extra work does Fukuyama imagine would have enlisted France or Russia? Fukuyama then recommends that the United States "not gratuitously . . . insult the 'common opinions of mankind.'" Who is for that? If it is a recommendation for anything other than good manners, it is for granting other nations veto power over actions the United States believes essential

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to its national interest and to the common defense. But Fukuyama himself rejects this idea categorically, saying that it is "utterly wrong" to maintain that "the United States should never stick its neck out and lead the broader Western world to actions that our allies oppose."

2. The United States should establish a new bureaucracy for nation-building. No objection here. We could use a Colonial Office in the State Department.

3. Consider establishing, in Fukuyama's words, a "global alliance of democracies, led by newer ones in eastern Europe and Latin America" that "could play a legitimizing function around the world in a way that NATO cannot." Another perfectly good idea. I proposed it over a year ago.[7]

So, a well-mannered diplomacy, a colonial office and perhaps a new alliance of democracies. That's it? This is Fukuyama's alternative to democratic realism? Well, he adds: "I believe that East Asia is under-institutionalized and ripe for some creative thinking by the United States." Al-Qaeda brings down the World Trade Center, war with the jihadists rages all over the world, Iraq is in play, and Fukuyama calls for thinking creatively about new East Asian institutions.

FUKUYAMA begins his essay by promising to "come up with a foreign policy that is very different from the one he [Krauthammer] lays out." He ends with a tweak: a couple of new institutions and more diplomacy. One finishes the essay in puzzlement. What was this polemic about? He declares himself an adherent of "democratic globalism", the very school of thought he was ostensibly taking on. "He retains", he tells the *New York Times*, "his neoconservative principles—a belief in the universal aspiration for democracy and the use of American power to spread democracy in the world." What is left of his promise of a very different foreign policy?

The reason he offers none is that, as he concedes, no plausible alternative theory presents itself. Isolationism is obsolete. Liberal internationalism is too naive to be effective. And realism fails to see the power and promise of democratic transformation. Democratic realism offers a clear framework for responding to the challenge posed by history's unwelcome return in September 2001. Fukuyama's endorsement of democratic realism is welcome, and his recalibrations duly noted. □

[7]See "A Costly Charade at the UN", *Washington Post*, February 28, 2003. "We should begin laying the foundation for a new alliance to replace the now obsolete Cold War alliances. . . . It might include the United States, Britain, Australia, Turkey, such willing and supportive Old Europe countries as Spain and Italy, and the New Europe of deeply pro-American ex-communist states. Add perhaps India and Japan and you have the makings of a new post-9/11 structure."

> I am sick of all this horried business of politics, and Europe in general, and think you will hear of me going with the children to live in Australia.
>
> —Queen Victoria, 1859, letter to the Princess Royal

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Real Democratik

—Clifford Kupchan

DEMOCRATS have lost their way on foreign policy. The party has been stuck in post-Cold War drift—confused by the Somalia syndrome, wedded to outdated notions of alliances, and unable to get its arms around America's enormous power. Democrats have overemphasized the importance of transnational issues and "soft power", ideas that, while important, do not play a dominant role in international affairs. Americans instead want a foreign policy that reflects the reality of U.S. power while remaining committed to the values of which they are proud.

There is an alternative path, one that will put Democrats on a course that is both realist and promotes traditional Democratic values. "*Real Democratik*" is firmly rooted in the fact that the structure of international relations, defined as the distribution of capabilities among states, heavily shapes the policies of states. The contemporary international order will be marked for at least the next several decades by unprecedented American unipolarity.[1] Despite the debacle of the Iraq occupation, *Real Democratik* views this unipolar world as normatively good and empirically inevitable.

Democratic foreign policy must take advantage of the current unipolar world to prolong and improve this benevolent order, and Democrats must promote core U.S. interests. Only an American-led order can bring stability to the turbulent post-9/11 world, and only this order can facilitate the spread, where appropriate, of democracy and human rights. Multilateralism should be the instrument of choice for a Democratic administration—though unilateral action is appropriate to protect vital U.S. interests. The new course will require a steadfast period of repair to the damage caused by President George W. Bush's predilection for unilateral policies. If these policies are not halted, they will continue to provoke other states, hasten the decline of America's unipolar era, and make more difficult the pursuit of America's vital interests.

Politically, *Real Democratik*'s hard-nosed approach to U.S. interests will appeal to conservative Democrats and independents, while its clear preference for multilateral action and promotion, where possible, of American values will appeal to more traditional Democratic constituencies. The prescriptions elaborated in this essay argue that Washington can and must "walk and chew gum at the same time": America can focus on its vital interests without ignoring the moralistic

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[1] "Order" in this essay refers to structure plus other key attributes of international relations that significantly affect inter-state relations.

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vein so deeply embedded in its history.

The argument of this essay is presented in two parts. The first, theoretical section argues that unipolarity is the seminal aspect of international relations, but that a set of interconnected factors (including alliances, institutions, legitimacy and terrorism) also can affect the duration and nature of the unipolar order. Because it is so important, unipolarity must be the starting point for incisive analysis of both international affairs and American foreign policy. The second part provides a policy framework by weaving together theoretical considerations and concrete U.S. foreign policy goals into specific policy recommendations.

Realities of the International Order

DEMOCRATS have had a hard time coming to grips with the unprecedented power possessed by the United States, a stark problem because the extent of America's predominance is remarkable. Today's structure is marked by unprecedented U.S. unipolarity. In 2002, America's military spending was more than double that of the expanded EU, seven times that of China and Russia, nine times that of France, Japan, and Britain, and ten times that of Germany. America commands an overwhelming superiority in conventional, nuclear and other capabilities and is widening its already huge qualitative advantage by far outspending others on research and development. American economic predominance is somewhat less profound, but still very significant. America's GDP in 2002 was 1.5 times that of the expanded EU, 2.6 times that of Japan, about 6.1 times that of Germany, France and the UK, and 8.5 times that of China. This economic dominance surpasses that of any other great power in modern history. The numbers for the EU—America's closest statistical competitor—must be discounted severely in the military realm (where EU budgets, capabilities and organization are low) and to a significant extent in the economic realm (where breadth has predominated over depth in EU enlargement and the outcomes of constitutional and other issues central to union are unclear). While American dominance in these categories is clear, what makes the extent of U.S. unipolarity historically unprecedented is dominance in each category simultaneously.[2]

Unipolarity is the primary reason that other great powers have not and will not soon balance against America's preponderant power. Formal balancing can take two forms: organized anti-U.S. alliances or internal military buildups to counter America. Balance of power theory predicts that preponderant power should give rise to opposing power, because preponderance makes lesser powers feel threatened. However, less powerful states should be expected to balance only when they believe that doing so can be effective.

The current unipolar structure strongly deters balancing, primarily because no coalition of states could expect to rival America's dominance. In effect, the balance of power has been suspended. The gap between the United States and other states is just too big for competition to be fruitful. Balancing is suspended for several other reasons as well. The U.S.-dominated order provides goods to other nations which they value. America's military presence in Asia, especially in Japan, plays the key role in sustaining regional stability, and the United States is the central actor in maintaining an open international trading system. States are reluctant to balance against an order that provides them significant returns. Additionally, America's geo-

[2]This section draws on William C. Wohlforth, "The Stability of a Unipolar World", *International Security* (Summer 1999) and Stephen G. Brooks and Wohlforth, "American Primacy in Perspective", *Foreign Affairs* (July/August 2002).

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graphic position as an offshore power reduces the perceived threat by regional powers, most of which lie in Eurasia. Finally, all regional powers face constraints on balancing from within their region; were China, for example, to increase its power to balance against the United States, India would feel threatened and respond. For all these reasons, but especially because of America's overwhelming material predominance, American unipolarity will last for at least the next several decades and is the structure within which U.S. foreign policy will be formed.

The claim that unipolarity explains behavior in contemporary international relations is consistent with current events—consider the unilateralist run-up to the war and, until confronted with failure, occupation in Iraq, and the strong-handed rejections of the Kyoto protocol and the International Criminal Court. If the balance of power were operating, the Bush Administration's unilateral policies should threaten other states, and so induce balancing against the United States. Yet despite these provocations, formal balancing has not occurred.

The strongest objections have come from our estranged liberal democratic allies in Brussels, Paris and Berlin over the Bush Administration's Iraq policy. But even these objections do not constitute balancing against U.S. power. Though both France and Germany have continued to differ with the administration on key aspects of postwar Iraq and other issues, both have also made strong efforts to repair their relationships with the White House. Also, the EU as a whole hardly opposed American power; the new entrants, Italy, and pre-election Spain were supportive. These policies show why those who see the EU as a rising power which will soon balance against the United States are mistaken—its members did not balance, individually or collectively, even when they would be most expected to do so.

Similarly, China, Russia and Japan opposed the United States on Iraq, but all sought to compartmentalize the disagreement, and no formal balancing occurred. Bush's unilateralist policy toward Iraq was an excellent hard-case test for the dominance of unipolarity, and system structure easily passed. Structure, then, both deductively and empirically, is by far the most important element in determining state behavior.

Yet today's unipolar structure cannot predict the duration of the unipolar epoch, nor can structure predict specific outcomes—America can still lose on certain issues. The duration of unipolarity and specific outcomes depend significantly on strategic choices made by Washington. Current tactical acts of balancing against the United States could have systemic impact over the long haul if the causes of balancing are not addressed and it deepens and spreads. While system structure and the distribution of material capabilities are the most important determinants of state behavior, other aspects of the international order can play an important role in determining the duration of unipolarity as well as specific outcomes. American behavior, alliances and partnerships, international institutions, and the place of terrorism in the international order, will all play secondary but important roles in determining specific outcomes as well as the length of the American era. No hegemonic era has lasted forever. America's policy must not rest on structure alone, but use all tools at its disposal in order to prolong unipolarity, imbue it with constructive content, and affect specific outcomes.

The Nature of American Policy

SINCE THE United States is the world's superpower, its specific characteristics will affect the nature of the international order. Two American attributes in particular will affect the duration and content of unipo-

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larity and specific outcomes. The first is the legitimacy of U.S. power—the extent to which American means and ends in foreign policy are viewed as just by other nations; the second is American domestic support for an internationalist foreign policy.

American legitimacy has plummeted and anti-Americanism has skyrocketed as a result of the mistakes made during the Iraq venture—Abu Ghraib being the most damaging example. A hegemon viewed as illegitimate will need to spill much more blood and treasure to run its order than a legitimate one. Thankfully, however, the United States does have a wellspring of historical legitimacy from which it can still draw. American legitimacy traditionally flowed from a proclivity toward restraint and its status as a liberal democratic power. Restraint reassures other nations that U.S. power is not threatening to their vital interests, and thus reduces balancing tendencies. That America is a liberal democracy also tends to be reassuring in that checks and balances on foreign policy exist, and policy decision-making is reasonably transparent and predictable. Legitimacy is key to persuading other states to support Washington's policies, and this support may be key to prevailing on outcomes such as Iraq, where even American unipolarity cannot prevail alone.

Skeptics of the durability of an American era have argued that it will be a "hollow hegemony", that the American public does not have the stomach to maintain order in international relations for a prolonged period. While post-Cold War fatigue may have given reason for worry, 9/11 changed public opinion in a seminal way. In 2002, 71 percent of Americans supported an internationalist foreign policy, and support for multilateralism was also high. Recent post-Iraq data show that a solid 81 percent support a U.S.-led multilateral battle against terrorism. A strike on the U.S. homeland could dent these numbers, but both the long-term nature of the terrorist threat and Americans' awakening from post-Cold War slumber make "hollow hegemony" unlikely.[3]

Alliances & Partnerships

THE multilateral policies of a dominant power should both prolong the hegemonic order and increase the chances that it will attain a specific goal. Multilateralism alleviates weaker states' fears of hegemonic power and reduces their motivation to balance, because it gives those states some voice and role in setting the policy of the hegemon. Multilateralism increases the dominant power's chances of prevailing in specific difficult cases because it brings additional influence and resources to bear.

Alliances and partnerships are key forms of multilateralism. By binding a hegemon's power to other countries through formal or informal commitments, alliances and partnerships are effective ways of reassuring other states about preponderant power and thus of discouraging balancing. They also increase the hegemon's legitimacy by enlisting partners in foreign policy.

Three points about American alliances and partnerships rise to the fore. First, because of its vast asymmetry of capabilities, America's views will carry inordinate weight in alliance actions and policies. True consultation and incorporation of the views of others is possible by a United States concerned about reassurance and system maintenance, but at the end of the day, America will usually have its way on critical matters. Second, informal, issue-oriented partnerships may become a more common and useful form of American-led

[3]See the Chicago Council on Foreign Relations and the German Marshall Fund of the United States, Worldviews 2002, and The Pew Global Attitudes Project (March 2004).

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collective action than formal alliances. Focused partnerships with Russia, India, Pakistan and Australia, for example, may be more relevant to key problems than traditional pacts. Third, the future of the transatlantic relationship is in jeopardy. Much of the U.S.-European rift is over Iraq and the Bush Administration's unilateralist orientation. But the gap is deeper and extends to truly differing views of the Israel-Palestine peace process, of Yasir Arafat, and of the utility of diplomatic relations with Iran. These issues will continue to divide the United States and Europe. And today's anti-Americanism across Europe is so deep that any president will only manage a partial repair.

International Institutions

PLAYING BY common rules of international institutions such as the UN and WTO is another way a hegemon can bind to other states and reassure them that its power is benign.[4] Institutions are a particularly effective means to form consensual decisions and implementation processes among states. Because they are consensual, these decisions carry legitimacy that unilateral decisions do not. Iraq demonstrates, for example, that the UN can be invaluable in affecting specific outcomes even under American unipolarity. The Coalition Provisional Authority was unable to deliver any semblance of stability; only an international institution has brought any hope of stability and a minimally acceptable outcome to the operation. The UN and special envoy Lakhtar Brahimi brokered the appointment of Interim Prime Minister Ayad Alawi, established a credible plan for the transition to sovereignty and elections, and brought some increased support for reconstruction from the international community.

As with alliances, institutions under unipolarity will usually reflect America's policy preferences. And institutions are likely to be somewhat weaker in the future, given that a U.S.-European condominium lay at the heart of post-World War II institutions and that today's transatlantic rift is likely to last.

Terror's Role in the International Order

TERRORISM is a new factor that will, on balance, be a strong driver for multilateral action, for it poses an unprecedented threat to international stability and is likely to prompt new levels of U.S.-led internationalist engagement.

Unipolar states have historically challenged rising powers that threaten the existing order. Terrorism is a threat without precedent; it does not challenge system structure (the distribution of capabilities), but could challenge the American-led order if large doses of chaos infect international relations. Terror could, for example, impart lifestyle-changing levels of fear into populations, limit open societies and reduce the movement of people and goods.

Fighting terrorism requires high levels of multilateral cooperation on matters ranging from intelligence to foreign assistance, as the threat is diffuse and localized. Since the threat will be long term, America's engagement is likely to be long term. Because of the nature of terrorism's threat to the international order and the citizenry's reaction to 9/11, the United States is very likely to seek a strong multilateral effort.

A final effect of terror on international relations is that it has reinforced the role of the state and weakened the role of transnational actors. America in particular, and the Western community in gener-

[4]See G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major War* (Princeton, NJ: Princeton University Press, 2001).

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al, have sought to increase their internal capabilities to protect borders, monitor the presence and movement of people within borders, and procure the national means to fight terror. On balance, this will have a slowing effect on integrationist and federalist movements and give impetus to realist behavior.

AMERICA'S future foreign policymaking will be conducted within a unipolar order, but one where the longevity of unipolarity and specific outcomes depend on American approaches to certain key attributes of international relations. In particular, multilateral action is preferable both to maintain the order and to help the United States prevail on policy outcomes. Unilateral action may well be justified in critical cases, but the cost of inducing anti-U.S. balancing and possibly endangering policy outcomes must be recognized and addressed. The remainder of this essay will implement the theoretical analysis above to discuss the main failings of Bush Administration grand strategy, describe America's grand strategy under *Real Democratik*, and lay out the key elements of an effective Democratic foreign policy agenda.

The Bush Years

THE BUSH Administration got the nature of the current era right: President Bush and his advisors understood that this is a period of prolonged unipolarity, of unrivaled and unconstrained U.S. power. The Bush record goes downhill quickly after that. Many of the administration's strategic and tactical choices constitute a list of what not to do if the goal of American grand strategy is to prolong unipolarity and prevail on tough policy issues.

The Bush Administration has shown contempt for international arrangements of any flavor that constrain America's power. Its record is one of reluctance to imbue the UN with influence; one of dividing America's key alliance during the signature episode of its foreign policy record; and one of eschewing restraint to the point of publicly announcing a doctrine of pre-emption. The Bush policies have even forsaken statesmanlike courtesy, declaring an "old" and a "new" Europe and openly snubbing foreign leaders who opposed U.S. policy.

The quickest way to undermine a unipolar order is to use power in a manner that alienates other significant nations, thereby encouraging early steps toward balancing. The Bush Administration's policies have initiated this process; one example is the world's virtually united opposition to renewing U.S. immunity from the International Criminal Court in the UN General Assembly earlier this year. A second presidential term that pursues these policies would severely undermine America's interests. The extent of U.S. predominance is so great that the most likely effect of a second Bush term would not be formal balancing but "estranged unipolarity"—an unprecedented and chaotic order where much of the world rejects American leadership even though it cannot challenge American power.

The Iraq War is an excellent example of a U.S. policy undermining both the American-led order and key American policy goals. Given the information on hand in March 2003, the war appeared justified, the goals being twofold: to eliminate (the still unaccounted for) Iraqi WMD, and to send a strong message to the region that Saddam had no place in the post-9/11 world. But the means used by the Bush Administration in the run-up to the war and during the occupation failed, weakening the international order. If the Bush Administration had more vigorously pursued a multilateral coalition, Russia and possibly even France might have acquiesced. Russia was on the fence, weighing its interests in Iraq, its support

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for the UN, and public opinion opposed to the war against its new post-9/11 partnership with the United States. A more committed American effort to court Russia and to accommodate Russia's agenda—for example by repealing the antiquated Jackson-Vanik Amendment—could have won Russia over. French demands focused on more time for inspections. Postponing the operation until autumn might have brought French acquiescence, especially if Russia had been convinced to go along with the war. Only Germany was beyond reach, as Gerhard Schröder won re-election on an anti-war platform. But a coalition that was not opposed by Russia and France would have brought much more legitimacy to the operation and would have avoided alienating the UN as an institution—thus better preserving the international order.

Regarding the specific policy goal—success in Iraq—multilateral efforts both before and after the war would have facilitated success. A more truly international force and earlier administration of the occupation by the UN would have helped avoid the extremely violent Iraqi reaction against American troops. That only the UN's appointment of an interim government has offered any hope demonstrates that much earlier multilateralism would have been prudent policymaking. Iraq shows clearly that a even a unipolar power needs help on hard-case issues. It now appears to the world that Winston Churchill was right, that "Americans can always be counted on to do the right thing . . . after they have exhausted all other possibilities." *Real Democratik* will prove him wrong.

Real Democratik Grand Strategy

DEMOCRATIC foreign policy should seek to prolong the existing American-led order and to promote key American goals in international affairs. Washington also should seize the opportunity that unchallenged power offers to craft new initiatives that promote the interests of many states.

Democrats need to be up-front about the benefits and potential of the current order—perhaps best referred to publicly as the Western order. Today's unipolarity offers unprecedented stability regarding interstate conflict just as the world faces a new and diffuse threat from international terror. American power and nuclear deterrence have made great-power war unthinkable. Regional rivalries in Asia and Europe have been markedly dampened by the American military presence. A relatively open world trading system benefits all. America is a democratic, market-oriented hegemon that views these traits as morally good and provides incentives for their spread. The United States is at its core a benevolent superpower without rival. The Bush Administration's bungled venture in Iraq and brazen diplomatic tenor has masked this reality to many Americans and much of the world. The great challenge to Democrats will be to repair this damage.

In order to prolong America's unipolarity and increase the likelihood that other nations will help the United States prevail in hard cases, Democrats will need to change course before it is too late. America must opt for multilateral action whenever possible. Democrats must infuse alliances and focused partnerships with real meaning by consulting with other nations before the fact and incorporating their concerns whenever possible into U.S. policy, notwithstanding America's asymmetric strength in the alliances. Washington should show restraint to assure other nations that its power is not threatening. The United States will need to restore its legitimacy and power to persuade.

Democrats will need to help return authority to the UN through a consistent willingness to compromise—not after the

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fact, but before crises become wars that the United States may not be able to control alone. And Washington must clearly articulate to the American people and the world why the American era is worth supporting, why engagement promotes American interests rightly understood and why a disengaged America would be a disaster for all. Under *Real Democratik*, unilateral action may be required to promote vital U.S. interests. But possible long-term costs to the country's grand strategy, especially increased anti-U.S. balancing, would be carefully weighed before acting unilaterally. *Real Democratik* would rarely sacrifice strategic advancement for tactical advantage.

Policy Priorities & Prescriptions

UNIPOLARITY also offers unprecedented freedom to use American power in creative ways to improve the nature of the international order. Wherever possible, U.S. grand strategy should take an expansive view of America's interests, one which includes and serves the interests of other nations as well. Washington's initiatives on security, energy or poverty stand a high chance of success. The following policy priorities and prescriptions seek to capture this remarkable window of opportunity.

Real Democratik prescribes a progressive, Democratic set of realist policies to promote American foreign policy interests under unipolarity. In the turbulent post-9/11 era, hard-nosed national security goals must take the front seat—both on their merits and because public opinion is focused on them. Under *Real Democratik*, the United States has three vital interests: waging war on terror, advancing the non-proliferation regime and ensuring secure energy supplies. On these issue, *Real Democratik* prescribes the vigorous pursuit of multilateral efforts and unilateral contingencies should multilateralism fail. America also has a host of fundamental interests, which Democrats should pursue earnestly whenever possible. These include advancing democracy and human rights, strengthening great-power relations, preventing conflicts and combating disease, drugs, crime and trafficking in people. Democrats must pursue aggressively vital and fundamental interests simultaneously. Tradeoffs will exist, for example, between security and democracy goals; but by setting priorities and appropriate time frames on the one hand, and by adopting multi-track policies on the other, Democrats can pursue an effective and appealing brand of realist policy. This is the essence of *Real Democratik*.

THE WAR ON TERROR

Democratic leadership should bring the strongest possible multilateral coalition to bear in the War on Terror. America will need to draw on restored legitimacy, alliances and partnerships and institutions. Focused partnerships will be especially important, given the diffuse nature and Middle Eastern origin of terrorism. That means close political and military cooperation with Russia, Pakistan, India and nations in the Middle East—as well as with America's traditional allies. Paramount among these are close and strong relationships with the EU and its member states. They have stronger political influence and contacts in the Middle East, and the EU has a large foreign aid program there. The EU is a key financial backer of the Palestinian Authority, which means that the Europeans will likely be central to Middle East peace efforts.

To improve cooperation, the United States and the European Union should establish a standing joint body focused on Middle East policy. Currently, the Quartet—the United States, the EU, Russia, and the UN—is the only such body, but it is too narrow in focusing only on the peace process and too inclusive in that Russia or the UN could impede consensus.

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However, success in the War on Terror is so vital that unilateral action will be justified for discrete actions or operations—to apprehend an Al-Qaeda leader or eliminate a terrorist training camp. In these instances, the time required to gain the support of allies likely will not be available.

Iraq is a new node in the War on Terror, and regardless of past rationales and tactics, success there is now a vital interest. But success must be defined realistically: an integral Iraqi state with some degree of representative government. The American presence should be internationalized as quickly and fully as possible, until that probably distant time when Iraqis can provide their own security. And America should encourage the UN promptly to assume its missions and should continue to seek financial commitments from other nations.

NON-PROLIFERATION

American-led multinational efforts again will be the key to success, both in policy toward potential proliferators and in implementing new initiatives. Washington must lead a more intensive international effort to secure fissile material at sites around the world. America must also lead a multilateral coalition to strengthen the non-proliferation regime, so that countries can no longer build the components of nuclear weapons and then withdraw from the regime and build a bomb. North Korea and Iran are the key concerns, and in both cases the United States does not have the diplomatic access or legitimacy to pursue alone a fruitful diplomatic track. The EU, Russia and China do, but they lack Washington's power to back up carrots with sticks. The Bush Administration has been paralyzed on policy toward both countries—it has no coherent policy toward Iran and only this past summer decided to engage North Korea, having wasted three years during which that country built nuclear weapons. *Real Democratik* prescribes multilateral engagement to secure our vital interests, and then unilateral action if that fails. The United States should close ranks with the EU, Russia and China and attempt to reach a détente with Iran. Iran would need to forgo its ambition to obtain a nuclear fuel cycle, desist in its support for all terrorist groups, and recognize a two-state solution for Israel and Palestine. In return, the American-led international community should offer Iran security guarantees that regime change will not be a policy, a gradual relaxation of economic sanctions, a genuine voice on regional security issues, and access to civilian nuclear energy with safeguards against diversion of fuel.

If engagement fails on non-proliferation issues, the United States should pursue unilateral action. If, after a genuine attempt at détente has been made and evidence clearly indicates that Iran is building a bomb, unilateral military action would be justified. The damage this could cause to the unipolar order would be acknowledged but fully justified on security grounds.

ENERGY SUPPLY

On this third and final vital interest, American power should focus on building a security architecture and economic arrangements that secure access for the West to key world energy sources. Russia is a rapidly growing source of energy and could be central to diversifying American supplies; estimates indicate that its oil reserves may be second only to Saudi Arabia's. Washington-led efforts that include the EU should more aggressively provide incentives for Russia to develop the infrastructure to bring its energy to world markets. For example, construction of a pipeline from Siberia to the White Sea could by 2009 add a volume to world supplies equal to 20 percent of America's annual imports. Both incentives and pressure must be applied to the Russian government to reform institutions that impede bringing Russian supply to world markets.

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On the Persian Gulf, the United States should help develop a regional security structure that protects Western access to oil. The large and long-term American troop presence in the region gives Washington significant leverage in this project. Given that regional rivalries remain deep in the Persian Gulf region, America should use current security arrangements in Asia as a model. American military might in Asia and the key role of bilateral relations between Asian powers and the United States have dampened regional rivalry and helped keep the peace. Political volatility and anti-Americanism will make this project more difficult in the Persian Gulf. But especially if Iran becomes either a willing participant or a benign player in a new security structure, American power can create conditions under which access to Persian Gulf energy is more secure.

As with proliferation and the War on Terror, unilateral contingencies need to be available. A recalcitrant Iran, a revolution-stricken Saudi Arabia, or acts of terrorism could restrict Western access to Persian Gulf oil. America imports 20 percent of its oil from the Gulf, the EU 30 percent and Japan 88 percent. Unilateral U.S. military action to preserve access to this region's resources must remain an active contingency.

Fundamental Interests

THE United States also has a range of fundamental interests that are very relevant to American security and values but do not directly affect the strength of the unipolar order or American security. These interests will be priorities for Democrats.

A *Real Democratik* foreign policy supports the spread of democracy and human rights wherever possible. Americans believe democracy is a core component of the desired human situation, and the resulting moralistic streak in American foreign policy thankfully will remain. The key is to adopt realistic time frames and expectations for specific countries.

The evolution of states to democratic polities over the long term is highly desirable for several reasons. First, as history teaches us, modern liberal democracies do not go to war with each other. The data is subtle, because democratizing nations do cause trouble and democracies fight with non-democracies. But as an end-goal, a world of liberal democracies would likely be a peaceful one. Second, democracies' foreign and security policies are more transparent and predictable, lending stability to international relations. Third, the policies of mature democratic nations are subject to checks and balances, which tend to prevent aggressive and misguided foreign policies. So on both moral and security grounds, *Real Democratik* supports the spread of democracy.

But post-Cold War empirical data must also inform Washington's approach to global democracy. Policy toward the states of the former Soviet Union, presided over by liberal institutionalists in the Clinton Administration, failed to produce democracy in the non-Baltic former Soviet space. With the potential exception of Georgia, none of these states meet any reasonable definition of liberal democracy, and most are backsliding toward authoritarianism. Bush Administration policy in Iraq and the Middle East, presided over primarily by neoconservatives, has not brought democratic reform to the region. Chaos in Iraq is serving as a deterrent to, not a beacon for, democracy. The Middle East does not have the historical or cultural traditions for democracy to grow; most regional leaders actively oppose it. The spread of democracy is not happening, either under liberal or neoconservative policymaking, and attempts to force it are backfiring.

America must become more judicious about where it chooses to promote democracy, and realistic about the length

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of time global democratic reform will take. *Real Democratik* would focus on countries with some tradition of indigenous democracy (ironically, Iran is an excellent example), and recognize that transitions to democracy often will span several generations. Most importantly, the United States should pursue a two-track policy on democracy. The choice between security and democracy goals is to some extent a false one, as President Reagan demonstrated when he pursued détente and human rights simultaneously as policies toward the Soviet Union. Given the immediacy of terrorist and proliferation threats, security concerns must be paramount. But where we have leverage, we must judiciously apply it on behalf of liberal democracy and human rights. American ambassadors in capitals around the world should continue to speak out on behalf of democracy and human rights, and our democracy assistance programs must be especially active in countries with significant indigenous political will for democratic reform. Balancing national security interests with democracy will require tradeoffs, two-track policies and tailoring policy to specific countries. But to move any faster is very likely to be counterproductive and even dangerous.

THE NATURE of America's bilateral relationships with regional powers will affect the ability to prolong unipolarity, the attainment of specific American interests, and regional stability. Key regional powers include South Africa, Nigeria, France, Germany, Britain, Russia, China, Japan, India, Pakistan, Brazil and others. The strongest possible bilateral relations with these nations will facilitate the formation of multilateral coalitions and pursuit of America's vital interests. Because of their influence, support for or acquiescence in the current order by regional powers is important to its maintenance. For example, regional powers carry great sway over smaller countries in their regions, and well-managed relations with them will ease the burden of preventing destabilizing regional wars. The African powers especially should receive increased attention by Democrats and be encouraged to show leadership. Africa has become a target and breeding ground for international terrorism and is prone to destabilizing regional conflicts, some of which are adjacent to the Middle East.

REAL Democratik would focus on key areas where multilateral action could prevent conflict, on effective development assistance that addresses both poverty and root causes of unrest, and on failed or failing states that are safe-havens for terrorists. America must invest more heavily in training and equipping its armed forces for peacekeeping missions, and the United States should encourage other countries to do the same. Washington must be willing to organize and lead international forces, ensuring that they can deploy quickly when needed. For example, if peace ever comes to the Middle East, it is likely that international peacekeepers will need to enter Gaza or parts of the West Bank and possess very high skill levels. America should lead efforts to develop the capacity to quickly deploy integrated and highly trained peacekeeping forces.

America must also do all it can to promote development in African and other developing states, including leading the way in reducing trade barriers. Effective foreign aid not only reduces poverty and suffering, but also helps address terrorism by creating jobs and educational opportunities, as well as improving health care among populations that are vulnerable to terrorist movements. The Bush Administration has taken a step forward in the development arena by increasing funding for development and by establishing the Millenium

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Challenge Account (MCA). This new program targets assistance on countries that have already implemented reform, increasing the chances that aid dollars will be effective. But the MCA's criteria are so strict that relatively few countries qualify, and its funds this year will reach only 2.9 percent of the world's poorest people. Democrats must do better, keeping the principles of the MCA but also finding prudent ways to reach more people.

Similarly, Washington needs to pay more attention to nations on the verge of becoming failed states. States that fail become breeding grounds for terror and easy transit areas for weapons smuggling. Yet in part because they do not qualify for the MCA, America's focus on and assistance to failing states has been insufficient. America must better conceptualize how to deal with failing states, and develop more effective and well-funded programs to meet the challenge.[5]

Finally, America should lead on the new agenda: disease, organized crime, climate change, the drug trade and human trafficking. As with democracy promotion, Americans consider action on these issues a moral imperative. The Bush Administration's Global AIDS Initiative was sorely needed and has been appropriately well-funded. Yet Democrats can improve it. The initiative is too ideological (for example, its unrealistic emphasis on abstinence) and the president's plan fails to contribute sufficiently to the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria. Donations to the Fund both leverage American dollars and increase Washington's ability to encourage other nations to contribute. And Democrats should develop initiatives for the other pillars of the new agenda.

Focus on issues of prevention promotes the strength of the unipolar order, America's core interests and values its citizens hold dear. Americans must see the link between organized crime and security threats: For example, nuclear smuggling poses a clear danger. So too with disease and drug flows—weak nations weaken the order. And assistance for development and health issues serves both Americans' security and insistence on morality in foreign policy.

Securing America & its Values

AMERICANS want a muscular and moral foreign policy. *Real Democratik* fits the bill. The policy builds on a rock-solid foundation—the firmly entrenched unipolar structure of current international relations. It spells out how and why America should prolong this benevolent order. *Real Democratik* offers policy recommendations that will increase American security and promote American values. It envisions how to repair damage to the American era caused by the Bush Administration. *Real Democratik* is a winning foreign policy vision—it will both provide security for decades and appeal to Americans' sense of what is right for the world. □

[5]Commission on Weak States and U.S. National Security, *On the Brink: Weak States and U.S. National Security*, (Washington, DC: Center for Global Development, 2004).

> If realism is to be truly realistic, it must acknowledge human beings' romantic and heroic impulses, in all their healthy and perverse forms.
>
> —Robert D. Kaplan, "Euphorias of Hatred", *Atlantic Monthly* (May 2003)

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Liberal Realism

The Foundations of a Democratic Foreign Policy

G. John Ikenberry & Charles A. Kupchan

THE UPCOMING presidential election represents a defining moment for the United States and its engagement in global affairs. The foreign policy of the Bush Administration represents a radical departure—in principle as well as practice—from the tradition of liberal realism that guided the United States throughout the second half of the 20th century. The Democratic Party promises to reclaim liberal internationalism, restoring a centrist foreign policy guided by ideals as well as power realities. On offer are two contending visions of America's role in the world. In one, international order arises exclusively from U.S. pre-eminence, with America wielding its unchecked power to keep others in line and enforce international hierarchy. In the other, international order arises from the coupling of America's pre-eminence with its liberal founding principles, with the United States wielding its power to craft consensual and legitimate mechanisms of international governance. Which vision prevails will have enormous consequences for global politics.

We have two principal objectives. First, we illuminate the contrasting logics that inform policy choice, hopefully contributing to a richer public debate. Second, we contend that liberal realism has clear advantages over the approach of the Bush Administration; a Democratic foreign policy guided by it would enhance both U.S. security and international stability. We examine the five core issues that provide a conceptual foundation for a U.S. grand strategy: the operation of the balance of power; terrorism and its impact on the international system; the role of rules and institutions in maintaining order; the connection between legitimacy and international governance; and the management of deficits, trade and the global economy. We first outline how each of these issues affects U.S. policy and global politics, next describe and critique the Bush Administration's approach to each issue, and then go on to examine our Democratic alternative and its advantages.

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Operating the Balance of Power

BELIEFS ABOUT the dynamics of power balancing and the effects of polarity on system stability play a central role in the formulation of grand strategy. Three sets of questions are at issue. What are the systemic effects of unipolarity, and, in light of those effects, how should the United States wield its primacy in order to promote stability? How durable is unipolarity,

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and what strategy should the United States pursue to shape the emerging geopolitical environment? Should U.S. power be measured primarily in material terms, or does a multi-dimensional approach offer a more accurate measure of America's relative power position?

To its credit, the Bush Administration has taken a clear position on each of these vital questions in the aftermath of 9/11, articulating its views in its *National Security Strategy* and supporting documents and speeches. For the Bush team, international order is a direct by-product of U.S. primacy. System stability increases in step with U.S. power; the starker the asymmetries, the less likely it becomes that any nation will even consider challenging the U.S.-led order. The United States should demonstrate its political willingness to use its preponderant power as it sees fit—especially after 9/11—enhancing its ability to dissuade potential challengers and to counter unconventional threats before they compromise U.S. security. In sum, uncontested U.S. primacy coupled with unmistakable resolve will forestall balancing in the international system, instead establishing stable hierarchy. As President Bush stated in a speech at West Point in June 2002,

> America has, and intends to keep, military strengths beyond challenge . . . thereby, making the destabilizing arms races of other eras pointless, and limiting rivalries to trade and other pursuits of peace.

This strategy is predicated upon the assumption that unipolarity is sustainable for the foreseeable future and should be preserved for as long as possible. American preponderance will discourage potential challengers from seeking the resources needed to contend for primacy, and even if dissuasion fails, no state could conceivably pull even with the United States for decades to come. Such confidence is based primarily upon America's military superiority and the presumed maintenance of that superiority due to ongoing investment in capability as well as research and development. The leverage provided by such pronounced material advantage, coupled with the importance of demonstrating U.S. resolve, makes it both possible and desirable for the United States to act in a unilateral and unconstrained fashion; allies are not needed to tame enemies that are no match.

THESE GUIDING suppositions are fundamentally flawed. Basing America's grand strategy on them triggers exactly what the Bush Administration is seeking to forestall: balancing against U.S. power. The Bush Administration is correct that the current international system is unipolar and that U.S. primacy is uncontested. It is also correct that in the post-9/11 world, America must vigilantly protect itself against the threats posed by Islamic extremism, international terrorism and WMD, when necessary using its military superiority to do so.

It is misguided, however, to assume that America's preponderant power, when combined with an assertive unilateralism, promotes stability as a matter of course. As the record of the past four years makes clear, the unfettered exercise of U.S. primacy has not led to deference and bandwagoning, but to resentment and incipient balancing. The problem is not unipolarity *per se*, but changes in the exercise of U.S. power that have in turn changed foreign perceptions of U.S. intentions and how the United States will use its preponderant strength. A dominant America that reassures others and deploys its power to secure public goods induces systemic stability; unfettered primacy deployed in the exclusive pursuit of national self-interest does the opposite.

The Bush Administration's grand strategy rests on a second geopolitical misconception: that U.S. primacy is

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durable. To be sure, America's economic and military might ensures that it will remain the world's leading nation for decades to come. But current power asymmetries will inevitably diminish in the years ahead. The European Union's wealth already rivals that of the United States, and it may well forge a more independent and unified security policy as this decade proceeds. Over the course of the next decade, Japan may tire of always following America's lead, China will emerge as a major power, and Russia, India and Brazil are poised to become stronger and more assertive players. It will be impossible for the United States to sustain current power asymmetries. Indeed, if America seeks to preserve unipolarity and its attendant sway over global affairs, it will only ensure that other centers of power, as they rise, array their strength against the United States.

Finally, the Bush Administration has overestimated the advantages of military superiority and mistaken brute strength for influence, producing adverse consequences on a number of fronts. In Iraq, Washington was correct that Saddam Hussein's regime would crumble under the U.S. onslaught, but it failed to appreciate that the invasion would spawn a dangerous mix of nationalism and religious extremism, leaving the United States struggling against a guerrilla insurgency that effectively neutralized America's military might. In similar fashion, the Bush Administration is aware that its unilateralist bent has provoked anti-American sentiment in many quarters, but it has discounted the discontent because countries opposed to U.S. policy do not have the military wherewithal to stand in America's way.

Although it is correct that other countries are not forming alliances against the United States, Washington is overlooking the more subtle forms of balancing that are occurring—with potent geopolitical consequence. The broad coalition that blocked UN authorization of the Iraq War denied the United States the legitimacy of international approval, substantially raising the economic and political costs of the war. Allies bore 90 percent of the costs of the Gulf War, but the American taxpayer has financed most of the current operation, and Washington has been unable to convince key allies to send troops to Iraq. If the United States continues on its current course, it will enjoy military supremacy, but little else.

FROM THE perspective of liberal realism, management of the global balance of power would be based on three propositions. First, the United States must wield its superior strength in concert with others to ensure that it forestalls rather than invites balancing behavior. Re-establishing America's bona fides as a *benign* hegemon necessitates resuscitating the alliances, institutions and consultations that have eroded under Bush's watch. The United States should of course reserve the right to act alone as a last resort, but Washington must rediscover that the costs of unilateral action usually far exceed the costs of seeking consensus.

Second, liberal realism entails moving with—rather than against—the secular diffusion of global power. The scope of American primacy will wane as this century progresses; the ultimate objective should be to channel rising centers of strength into cooperative partnerships with the United States. Furthermore, strength elsewhere, even if it comes at the expense of America's relative power, need not come at the expense of its influence and security. If rising centers of power are integrated into a rule-based order, they promise to be net contributors to international stability. Americans would benefit substantially from a Europe that is capable of projecting power outside its neighborhood and sharing risks and responsibilities with the United States. China is

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emerging as one of Asia's dominant states; what is in question is not whether its power will rise, but the ends to which it will use its growing strength.

Third, liberal realism rests on a multidimensional understanding of power, sensitive to the fact that America's military supremacy, although a vital element of national strength, is not sufficient to safeguard American security. The United States should continue to invest in its armed forces and maintain its pronounced military advantage, but absent respect for U.S. leadership abroad, U.S. primacy does more to divide the world than to unite it. Washington needs to renew the non-military dimensions of its global influence, working to reclaim its moral authority abroad and to make disaffected allies again feel like stakeholders in the international system.

The International System & Terror

THE TERRORIST acts of September 11 necessitated a fundamental reorientation of U.S. grand strategy. A grievous attack against the United States came from unexpected quarters using unexpected means; neutralizing Al-Qaeda and combating Islamic extremists became top national priorities. Amid the ongoing effort to adapt U.S. policy to unconventional threats, policymakers and scholars alike must continue to address whether the events of 9/11 fundamentally altered the international system, requiring not just adjustments to national strategy, but complete transformation.[1]

The Bush Administration has taken a definitive position on this question, embracing the effort to combat terrorism as America's defining mission for the foreseeable future. From the administration's perspective, the globe's geopolitical landscape has been reconfigured. Countries are "with us" or "with the terrorists" depending upon where they stand in America's "war on terrorism" and the "conflict between good and evil." The Bush Administration's overhaul of grand strategy included formal endorsement of the notion of pre-emptive—or more accurately, preventive—war, which it acted upon in attacking Iraq in 2003.

Whereas the Bush Administration has been right to focus the country's attention on the threats posed by terrorism and WMD, it has overreached in making efforts to combat these threats America's consuming mission. The fight against Islamic extremists should be added to the list of more traditional priorities, not come at their expense. The Bush Administration believes that the international system has changed much more than it has, embracing a distorted world-view that has spawned a grand strategy marred by excess.

Several adverse consequences have followed. To begin, U.S. policy now emerges from a conceptual template that is not shared by most other nations of the world. The events of 9/11 shocked many countries, but their world-views did not undergo a transformation anywhere near as profound as the one that has taken place in the United States. The conceptual gap that has opened up between U.S. policymakers and their counterparts abroad has contributed to the geopolitical divide that now separates the United States from many of its traditional allies.

The Bush Administration has also unwittingly advanced some of the objectives of Islamic extremists by overreacting and pursuing an errant strategy that has polarized global politics. The Atlantic Alliance has been stretched to the breaking point, with America's traditional democratic allies now some of its

[1]See Philip Zelikow, "The Transformation of National Security", *The National Interest* (Spring 2003); and "One Year On: A September 11 Anniversary Symposium", *The National Interest* (Fall 2002).

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staunchest critics. The Iraq War and the bungled occupation that followed have brought new recruits to Al-Qaeda and galvanized popular sentiment in the Middle East against the United States. The war itself was the product of excess and error—sloppy intelligence, faulty judgment and ideological zealotry. So too did it reflect skewed priorities, with remaining Al-Qaeda cells, weapons programs in North Korea and Iran, and nuclear material in the post-Soviet space posing much greater threats to U.S. security than did the regime of Saddam Hussein. Simply put, "clear and present" ought always to outweigh "grave and gathering."

COMBATING terrorism and the spread of WMD would remain central to a Democratic alternative to the Bush strategy, but liberal realists would pursue these goals through more considered means.

First, Washington must embrace a strategy for combating terrorism that succeeds in keeping intact America's key partnerships. All components of the struggle against terrorism—including military operations, intelligence sharing, asset freezing and law enforcement—are more successfully pursued if the United States has its allies by its side. Achieving this goal will mean giving up a black-and-white world-view defined by the terrorist threat and making U.S. policy more responsive to the concerns of allies. An alliance has meaning only when its members adjust their policies to take into account their partners' interests.

Second, Washington would focus on the concrete threats to the United States posed by Al-Qaeda and other extremist networks and not be distracted by wars of choice, such as Iraq. Doing so would not only advance efforts to neutralize Al-Qaeda, but also help maintain the international legitimacy of U.S. leadership. It is important to keep in mind that the war against the Taliban and Al-Qaeda in Afghanistan enjoyed widespread support, even in the Muslim world.

In this respect, a Democratic foreign policy should support Iraq's transition to democracy but also limit the continuing cost of the occupation in U.S. lives, money and reputation. At the same time that Washington secures more help from its allies, it should expedite efforts to hand over security matters to a reconstituted Iraqi army—even if that means settling for less than immediate democracy. In general, the United States should continue to encourage and facilitate the promotion of democracy abroad, but it must realize that durable liberalization must come from within and not be imposed from the outside.

Third, a Democratic foreign policy would acknowledge that the Bush Administration was right to insist that new threats may at times require the preventive use of force. However, it should lead multilateral efforts to forge new rules of the road governing the use of force rather than pre-emptively announce its right to wage preventive war. Moreover, the United States should pursue the preventive use of force only as a last resort, only when facing "clear and present danger", and only after full consultation with other democratic nations.

Fourth, a Democratic foreign policy should place much greater emphasis on preventing the spread of materials used in the production of nuclear weapons. Doing so entails expending more effort and money to ensure the security of nuclear materials in the former Soviet Union. And Washington should act on the reality that the United States has no choice but to engage in tough-minded diplomacy to neutralize—and not merely "contain"—the threats posed by nuclear programs in Iran and North Korea.

Fifth, presidential leadership will be needed to advance efforts to enhance homeland security. Reforming the intelli-

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gence community and improving communication among the intelligence agencies and the FBI are particularly important. So too are efforts to expand border control and surveillance and to step up inspection at ports, especially those that serve as hubs for container traffic.

Sixth, liberal realists would step up efforts to secure a lasting peace in the Middle East and serve as an even-handed mediator between Israelis and Palestinians. Ensuring the security and prosperity of Israel is a must, but these objectives will be most durably achieved if they are part of a two-state solution that fulfills the national aspirations of the Palestinians. To move in this direction and mobilize the strong majority in Israel in favor of such a settlement, Washington must work with its partners in Europe and the Middle East to neutralize Palestinian extremist groups and end terror attacks against Israeli targets.

Finally, a Democratic foreign policy should do more to get at the causes of instability and disaffection in the developing world. The Bush Administration deserves credit for its Millennium Challenge Account, its efforts to fight HIV/AIDS and its Broader Middle East Initiative, aimed at putting in place the building blocks of democracy and civil society in the region. Follow-on initiatives should include doing more to ensure universal basic education and to eliminate global tariffs on agriculture and textiles, a move that would do much to stimulate growth in the developing world.

The Role of International Rules & Institutions in Maintaining Order

THE BUSH Administration and liberal realists embrace opposing views of the role and usefulness of international rules and institutions. The Bush Administration tends to see international rules and institutions as constraints on American power. At best, treaties and multilateral agreements enhance the conduct of American foreign policy only at the margins. At worst, they threaten to deny the United States its sovereignty and freedom of action. In contrast, liberal realists see rules and institutions as the infrastructure of the international system and therefore central to the pursuit of America's global interests.

According to the Bush Administration and its supporters, the United States in the 1990s was ensnared in a network of "global governance" initiatives, with foreign powers seeking to cage American power in international treaties and institutions. The "new unilateralism", as Charles Krauthammer has labeled Bush foreign policy, is aimed at restoring America's freedom of action and the primacy of American national interests: "Rather than contain power within a vast web of constraining international agreements, the new unilateralism seeks to strengthen American power and unashamedly deploy it on behalf of self-defined global ends."[2]

This stance taps into a traditional American aversion to international institutions based on concern that they infringe on the nation's sovereignty. To bind the United States to other countries through treaties and agreements reduces the ability of the American people to exercise popular sovereignty. When President Bush indicates—as he did in his 2004 State of the Union address—that "the United States does not need a permission slip to take action to defend itself", he draws on a populist view that America alone has the right to make decisions about its security and well-being and that it is the patriotic duty of U.S. leaders to resist the efforts of foreigners

[2]Krauthammer, "The New Unilateralism", *Washington Post* (June 8, 2001). See also his "The Unipolar Moment Revisited", *The National Interest* (Winter 2002/03).

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to subvert this sovereign right.

The discomfort of conservatives with international institutions and binding agreements is most evident when it comes to the use of force. While liberal realists are by no means willing to give up America's sovereign right to the unilateral use of force, conservatives are much more reluctant to take decisions concerning the use of force to multilateral frameworks such as the UN or NATO. When Secretary of Defense Donald Rumsfeld stated that the "mission determines the coalition", he was offering a minimalist view of alliance obligations. The United States wants allies, but only if its security partners follow Washington's lead and are useful for the tasks at hand. The NATO alliance or the bilateral security pacts in East Asia are seen purely in instrumental terms and not as expressions of a wider political partnership with deep reciprocal obligations.

FOR LIBERAL realists, this approach is extraordinarily shortsighted. The Bush Administration's attitude toward alliances has left the United States with a paucity of security partners. Washington snubbed NATO's offer of help in the Afghan War and violated alliance norms of reciprocity and consultation in the run-up to the Iraq War. As a consequence, allies willing to help with postwar reconstruction have been in short supply, leaving U.S. forces exposed and overextended. There is a second cost to Rumsfeld's "coalitions of the willing" formulation. Other countries might join an American-led military operation, but without a treaty commitment or other institutional framework for ongoing security cooperation, some may lose interest. Indeed, Spain decided to withdraw its troops from Iraq after the change of government in March 2004, and the Philippines followed suit in July to ensure the release of a citizen held hostage by extremists.

More generally, if the United States presents itself to the world as a "norm buster"—a state that does not respect or abide by international rules and norms—it will have no credibility when it asks other states to do so. The Abu Ghraib prisoner abuse scandal is illustrative. The mistreatment of Iraqi prisoners, along with a Justice Department memorandum asserting that the U.S. president in a time of war is not bound by international conventions that ban torture, sends a dangerous signal to the world—particularly when Washington exhibits a broader antipathy toward international laws and agreements. America's moral authority is compromised, and its call for respect of human rights rings hollow, leaving American citizens and soldiers exposed when on foreign territory and setting back efforts to extend the rule of law abroad.

In contrast, liberal realists see rules and institutions as a powerful tool, multiplying American power in many ways. At major historical junctions—particularly during the decade after 1945—the United States built order and created a favorable international environment for the pursuit of its interests through the construction of multilateral institutions and pacts. A rules-based international system empowers rather than constrains the United States by structuring bargains that benefit both the mighty and the meek. By getting other states to operate within a set of multilateral rules and institutions, the United States reduces its need to continuously pressure and coerce other states to follow America's lead. Weaker states, enticed by mutually acceptable rules of the game and a more predictable America, willingly work with the United States rather than resist or balance against it. The United States does accept some restrictions on how it can use its power, but in doing so, it increases its influence by striking consensual bargains to ensure the cooperation of other states. The rules and institutions that are created serve as

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an "investment" in the preservation of America's power advantages—something that is particularly important today as the country prepares for a more diffuse distribution of global power. In the long run, the costs of reaching consensus are far outweighed by the gains.[3]

Rules and institutions also advance U.S. interests in ways that are independent of their specific functions. This is particularly true of America's alliance partnerships, NATO most of all. The American commitment to Europe and the wider security cooperation fostered by the alliance have been about more than just collective defense. The Atlantic Alliance is not only a tool to deploy power, but also a "zone of peace" that rests on a shared political identity and anchors the international system. As such, the Bush Administration's view that alliances should give way to "coalitions of the willing" is to diminish the deeper logic of America's postwar approach to international order. There will certainly be circumstances when the mission should determine the coalition, but consensus within the Atlantic community and preservation of that community should be fundamental American objectives.

Finally, liberal realists appreciate that extensive international cooperation is essential to countering the threats and capitalizing on the opportunities that lie before the United States. Contemporary national security threats render go-it-alone strategies obsolete. The looming dangers of today and tomorrow, such as transnational terrorism and the proliferation of WMD, can be effectively countered only through extensive forms of cooperation. The use of force may be a necessary tool on occasion, but the longer-term agenda for coping with terrorism and weapons proliferation entails intelligence gathering and sharing, law enforcement, state building and multilateral sanctions.

Multilateralism is not an end in itself and is not always appropriate, but it is key to the attainment of America's global interests. The guiding rule of thumb for Washington should be: "with others whenever possible, alone only when necessary."

The Importance of Legitimacy

THE legitimacy of America as a global power rests on the ability of the United States to command the respect of other countries. When others see the United States as a force for good in the world—exercising power according to widely embraced principles and norms—America enjoys international legitimacy. American legitimacy arises from the country's ability to convince others that it pursues collective interests, not just national ones, that its actions are justified and justifiable, and that it is a progressive force in history and a model for others. Legitimacy matters because it is the "social capital" of the international system, the normative consensus that binds states together and generates the trust and respect needed to tame anarchy and enable cooperation to flourish.

The Bush Administration, guided by four convictions, has been consistently dismissive of considerations of international legitimacy. First, it rejects the notion of "international community" and discounts the relevance of communal norms and legitimacy in shaping international politics. Because the Bush team resides in a world in which the international system is defined by the logic of the balance of power, it concentrates on deploying rather than legitimating power, overlooking the important effects of legitimacy on how others react to American leadership.

[3]For a full explication of this argument, see G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major War* (Princeton, NJ: Princeton University Press, 2001).

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According to a February 23, 2003, article in the *New York Times*, as Bush prepared for the Iraq War, he responded to overwhelming popular opposition abroad by stating that he did not intend "to decide policy based upon a focus group." To act against the court of world opinion, however, is not just to ignore a "focus group." It is to jeopardize America's ability to command respect abroad.

To its credit, the Bush Administration did try to garner international support for invading Iraq, making its case to the UN Security Council in September 2002. But it went to the UN to get a blessing for war—rather than engage in a good faith effort to find a mutually acceptable solution. More generally, the Bush Administration has been more eager to send a signal that America will steadfastly pursue its own interests than to reaffirm its commitment to international rules and norms.

Second, the Bush Administration believes that legitimacy begins and ends at home. It emerges from the consent of U.S. citizens and their representative institutions, making it inappropriate for the opinions of others to impinge on America's own will. Prominent administration officials have repeatedly embraced this truncated notion of legitimacy when arguing that the United States need not seek the consent of other countries before acting. In remarks delivered to the Federalist Society in November 2003, Undersecretary of State John Bolton contended,

> the question of legitimacy is frequently raised as a veiled attempt to restrain American discretion in undertaking unilateral action. . . . Our actions, taken consistently with Constitutional principles, require no separate, external validation to make them legitimate.

Third, the Bush Administration embraces a brand of American exceptionalism that places excessive confidence in the nobility and righteousness of American action. As a result, differing opinions, regardless of their merit, are often disregarded. Prior to the Iraq War, France and Germany were making what proved to be exceedingly accurate arguments about the consequences of war—but Washington dismissed them out of hand as duplicitous, intended only to trip up U.S. diplomacy. Likewise, excessive confidence in the global appeal of the American way contributed to the administration's naive assumption that U.S. troops would be greeted with glee by the Iraqi people. Indeed, the administration's failure to grasp the importance of legitimacy in political life is at the heart of why the occupation of Iraq has been so troubled.

Finally, the Bush team believes that to be overly concerned with the opinion of other states is a dangerous sign of weakness. Simply put, legitimacy is for wimps. America must be willing to use its power assertively to advance its own interests. Administration supporters endorsed the war in Iraq in part to restore a healthy fear of American power. In a March 23, 2003, op-ed in *USA Today*, Max Boot argued that the invasions of Afghanistan and Iraq "provided a vital boost for U.S. security, not only by routing the terrorist network, but also by dispelling the myth of U.S. weakness."

THE BUSH Administration's disregard for legitimacy has had devastating consequences for America's standing in the world, particularly among Europeans. The country that for decades was seen to be at the forefront of progressive change is now regarded as a threat to the international system. During the heyday of American legitimacy amid the Cold War, it would have been unthinkable for a German chancellor to rescue his bid for re-election by insisting that Berlin stand up to Washington. Not only did Gerhard Schröder do so in 2002, but candidates in

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other countries—Spain, Brazil and South Korea—have thrived by distancing themselves from the United States. In a world of degraded American legitimacy, other countries are more reluctant to cooperate with the United States. Over the longer term—and in a thousand different ways—countries will take steps to separate themselves from the United States, to resist its leadership and to organize their regions of the world in opposition to Washington.

From the perspective of liberal realism, legitimacy is an intrinsic aspect of power. To care about legitimacy is not to cede American power to the UN or any other party. Instead, it is to exercise American power in a manner that continues to attract the support of others. Successive American presidents have found ways to do so because they realized that to legitimate American power was to turn coercion and domination into authority and consent. In Jean-Jacques Rousseau's famous formulation from *The Social Contract*: "The strongest is never strong enough to be always master, unless he transforms strength into right and obedience into duty."

Given the damage done to American legitimacy, a new administration needs to undertake urgent steps to repair its social and political capital abroad. Bold and visible gestures will be required. Washington provoked considerable ill will abroad by turning its back on the Kyoto Protocol; it should now pursue a follow-up initiative and commit to its own plan for reducing the emission of greenhouse gases. The United States should take the lead in reforming the UN. This initiative may entail reorganization of the UN Security Council and the earmarking of multinational military forces for UN-mandated peacekeeping operations. The United States should also enter into talks with its security partners to develop a common strategic vision about emerging security threats and the preventive use of force. Finally, the United States should make a dramatic initiative to repair the Atlantic Alliance. This effort might initially entail a revised Atlantic Charter, followed by new institutional commitments to consultations and joint planning.

Deficits, Trade & the Global Economy

DURING the last half century, American leadership of the world economy contributed to international stability, with successive postwar presidents generally adhering to the multilateral rules and institutions of free trade. This approach was predicated on the joint gains offered by open markets as well as the belief that economic interdependence would promote integration and counter nationalist rivalry. While the Bush Administration has articulated its support for these principles, in reality it has backed away from multilateral leadership of the world economy in several important respects. Writing in the Spring issue of *The International Economy*, the Harvard economist Jeffrey Frankel argued that "President Bush turned protectionist more strongly than any other postwar president", imposing tariffs on steel and lumber products, placing quotas on Chinese textiles, and increasing agricultural subsidies. The steel tariffs were particularly harmful because they undercut political leaders in South Korea, Russia, Brazil and the European Union who were arguing in favor of free trade. The Bush Administration has also made insufficient progress in advancing the current Doha Round of multilateral trade negotiations. Its general lack of regard for multilateral agreements has reinforced the perception abroad that the United States has waning enthusiasm for a rule-based system of open markets.

The Bush Administration has also refused to make hard fiscal choices. It has pushed into law sweeping tax cuts while ramping up government spending and embarking on a massive military

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buildup, resulting in the largest fiscal and current account deficits in American history. An expected surplus of $5 trillion over the next decade has turned into an expected deficit of $5 trillion. This failure to maintain fiscal discipline compromises the long-term health of the national economy by putting pressure on interest rates and cutting into future growth, and it exacerbates America's position as a debtor nation. The trade imbalance has contributed to the soaring current account deficit, leaving the United States ever more dependent on imports of capital, especially from Japan and China. America's twin-deficits are creating imbalances that imperil the nation's economy, leave the United States vulnerable to unforeseen changes in capital flows, and compromise its ability to provide international economic leadership.

Finally, the United States remains dangerously dependent on Middle East oil, the cost of which has soared recently. The Bush Administration's main response has been to increase exploitation of domestic oil reserves, deepening rather than limiting reliance on fossil fuels.

The global economy may remain on an even keel, but in the absence of strong American leadership to maintain stability and openness, the system is far more vulnerable to financial crisis and protectionism. Furthermore, it is imprudent to run up such high levels of foreign debt, putting too much of America's economic future in the hands of others.

A DEMOCRATIC foreign policy would entail commitment to free trade in practice and not just in name, coupled with domestic measures to soften the impact of globalization on the American worker and to include labor and environmental standards in trade agreements. It is worth remembering that behind the post-World War II decision to construct a free-trade system was a commitment to providing a social safety net at home. Unemployment insurance, worker retraining, and other government provisions of support remain essential for advanced democratic societies to operate in an open global economy.

The United States must return to the fiscal discipline of the Clinton years. If America needs new expenditures to combat terrorism, then the country must pay the bill. Whether one supported or opposed the Iraq War, it is profoundly irresponsible to put the costs on a national credit card, leaving the charges to future generations. Although running deficits does represent a sound short-term strategy for stimulating growth, the Reagan era made clear the long-term downside of mixing tax cuts with spending increases. In contrast, the record of the 1990s demonstrates that sound fiscal policies represent the best path to long-term growth. In addition, bringing down the deficit in the medium term and other signs of fiscal responsibility make it much more likely that the United States will remain an attractive market for foreign investment.

The United States also needs to decrease dependence on Middle East oil. This historic commitment should be built on two main initiatives. First, Washington should seek reductions in domestic oil consumption, primarily by substantially raising the fuel efficiency of automobiles. Second, the public and private sectors should team up to develop alternative energy sources, limiting America's geopolitical exposure in the Middle East, hedging against the economic risks of high oil prices, and investing in the well-being of the global environment.

Reclaiming Leadership

THE EVOLUTION of the international system has reached a critical intersection. Absent the liberal brand of U.S. internationalism around which the post-World

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War II order took shape, that order is currently at risk. The preservation of an Atlantic zone of stable peace—the establishment of which is perhaps the greatest achievement of the 20th century—is in question, with balance-of-power dynamics returning to relations between the United States and Europe. The institutional infrastructure central to managing the international system is eroding. Perhaps most worrisome, the United States, the nation whose dominating power makes it indispensable to the preservation of international stability, has compromised its legitimacy in the eyes of the world.

The unpredictable march of history—in particular, the end of the Cold War and the attacks of 9/11—is in part responsible for this worrisome state of affairs, but so are the policy choices of the Bush Administration. Reclaiming liberal realism in the United States requires not just elected leadership intent on doing so. It also requires the rejuvenation of the bipartisan coalition behind liberal internationalism that was forged by President Franklin Roosevelt during World War II and sustained by successive administrations through the 1990s. Moderate Democrats and Republicans must again come together to enable America to embrace the centrist brand of global engagement that served the nation and the world so well over the course of the last five decades. If the Democrats are to repair a divided world, they must begin by repairing a divided nation. □

The Albright Doctrine Revisited

[I]f we have to use force, it is because we are America; we are the indispensable nation. We stand tall and we see further than other countries into the future, and we see the danger here to all of us. I know that the American men and women in uniform are always prepared to sacrifice for freedom, democracy and the American way of life.

—Madeleine Albright, *The Today Show*, NBC, February 19, 1998

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The Right Stuff

Defense Planning Challenges for A New Century

F. Stephen Larrabee, John Gordon IV & Peter A. Wilson

IN THE coming decade, the United States will face a very different and much more challenging security environment than the one it confronted during the Cold War. New challenges will be posed by non-state actors, growing instability in the Muslim world, political shifts in northeast Asia and the accelerated proliferation of weapons of mass destruction. Meeting these challenges will require significant adjustments in the force posture and the modernization and investment priorities of the U.S. armed forces. In particular, more attention will need to be paid to managing challenges at the low end of the conflict spectrum and to post-conflict reconstruction.

While the Bush Administration has taken some steps to adapt U.S. defense policy to meet these new challenges, discontinuities in several regions, especially northeast Asia and the Middle East, could require more far-reaching shifts in the U.S. defense posture. The Iraq War, moreover, is likely to further complicate matters. The problems posed by the conflict and its aftermath were largely unanticipated when the Quadrennial Defense Review and subsequent defense plans were undertaken. Domestic factors, especially the growing budget deficits, could also affect the readiness of the American public to support large increases in the defense budget. Thus the new strategic challenges may have to be addressed in a defense environment that is far less propitious than the one that has existed until now, making starker defense choices necessary.

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The Changing Nature of Threats

THE UNITED States will face a very different set of threats in the coming decades than it has in the past. The new security environment will be characterized by a number of key features.

Non-State Actors: This threat, in the form of terrorist groups, religious extremists and other anti-Western groups, poses unique challenges to defense planners. Because they do not permanently occupy territory nor directly control governments, they cannot be defeated by traditional military means alone. A successful strategy must include economic and law enforcement measures in addition to military and political ones. Furthermore, these organizations are more nimble and flexible than states. Small sub-groups often operate on their own and are only loosely coordinated

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from the top. Thus, killing the top leadership may weaken such groups, but it will not necessarily eliminate them.

Failed States: In addition, weak or failed states may pose a greater challenge than militarily strong ones. First, they may become havens for terrorists, criminals and insurgent groups. Somalia, Afghanistan under the Taliban, and to some extent Colombia provide examples of this problem. Second, they can be a source of humanitarian disasters. In an age of instant communication, and the so-called CNN factor, these problems may prove difficult for the United States to ignore. Even if it wants to turn a blind eye, there may be strong public pressure for the United States to take action, as the conflict in Kosovo underscores.

Instability in the Islamic World: The Islamic world, especially that which is located in the so-called "zone of instability" extending from the west coast of Africa to Southeast Asia, is likely to be a key source of problems for the United States. Weak and unrepresentative governments, serious economic and social problems, resentment of the spread of Western—especially American—culture, U.S. support for Israel, and the global War on Terror are likely to fuel a trend toward greater Islamic militancy and radicalism. This in turn could make U.S. access to military facilities in many parts of the zone of instability increasingly uncertain.

Strategic Discontinuities in Northeast Asia: The current geopolitical status quo in northeast Asia is highly fragile. Major strategic shifts during this decade will likely compel the United States to radically rethink its defense policy and military presence in the region, beyond the current plans to restructure and downsize the U.S. posture in South Korea. In the last several years, the rapprochement between the two Koreas has taken on new momentum, which could lead to growing domestic pressures in South Korea—as well as in the United States—for the United States to substantially reduce its forces in South Korea and possibly even withdraw them entirely. Furthermore, a reduction of the U.S. presence in South Korea could prompt Japan to begin to rethink its security relationship with the United States. Feeling that it could no longer rely as heavily on the United States for its security, Japan might move in a more nationalistic direction. The result could be a more "Gaullist" Japan—one less dependent on the United States and less solicitous of U.S. interests. The emergence of a nuclear-armed North Korea will change the regional strategic dynamic and could lead South Korea and Japan—and possibly Taiwan—to consider developing their own nuclear arsenals.[1]

China's Uncertain Evolution: China has the potential—as well as the ambition—to become the dominant power in East Asia over the next several decades. But it faces formidable economic and political challenges that will significantly affect the pace and scope of its military modernization.[2] The Chinese leadership appears committed, at a minimum, to developing a military posture that would enable it to deter Taiwan from moving toward independence. It also appears to hope to have a military posture by the end of the

[1]In particular, the emergence of a nuclear-armed North Korea and a more assertive China could induce Japan to begin to rethink its approach to missile defense and nuclear weapons. The recent Japanese government's decision to deploy a national missile defense suggests that some rethinking is already under way. A discussion has also begun in some parts of the Japanese elite about whether Japan should acquire an independent nuclear deterrent.

[2]Currently, China devotes about 5 percent of GDP to defense. However, China's military budget is far larger than the $25 billion Beijing announced in March 2004. Pentagon analysts put the figure somewhere between $50 and $70 billion, making it the second- or third-largest defense budget in the world.

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decade that could deter the United States from openly intervening in support of Taiwan if the Taiwanese leadership should decide to move toward independence.

Simultaneously, Beijing faces several dilemmas on the nuclear front. The first is how to respond to the U.S. decision to deploy a ballistic missile defense system. China's response is likely in part to be conditioned by its desire not to provoke a major offensive-defensive arms race with the United States. At the same time, Beijing will probably maintain a robust investment program designed to provide an assured retaliation capability. This might include the deployment of a wide range of sea-, air- and ground-launched cruise missiles that could bypass any regional or national ballistic missile defenses that the United States might deploy during this decade. The second is the current nuclear crisis with North Korea. China has little interest in seeing North Korea develop a robust nuclear arsenal, which could, as noted above, provoke nuclear balancing by China's neighbors.

A final question mark is posed by China's policy toward Taiwan. In recent years, China has engaged in a steady military modernization that is eroding the military and technological balance of power that Taiwan has enjoyed. China has increased the number of short-range ballistic missiles deployed in the region across from Taiwan and is also developing a medium-range ballistic missile which is expected to be deployed in the near future. So far, Taiwan has been cautious about pushing for independence, in part because of U.S. pressure against such a move. But there is no guarantee that this caution will continue indefinitely.

The Accelerated Proliferation of Weapons of Mass Destruction: Following the end of the Cold War, the United States military placed emphasis on planning for wars against regional opponents who lacked nuclear weapons. A key assumption on the part of United States planners was that middle-sized regional powers such as Iraq or North Korea would not have nuclear arms. However, the emergence of a nuclear-armed North Korea has rendered this assumption obsolete.

In the future, U.S. military planners will have to explicitly take into account the possibility that a hostile regional power will have nuclear weapons and the means to deliver them. Furthermore, there is the prospect that future opponents armed with nuclear weapons may develop more sophisticated concepts of their use than merely threatening mass destruction.[3] This will change how the United States plans and executes major combat operations against such nations.

Finally, the proliferation of chemical, biological, radiological and nuclear (CBRN) weapons, together with delivery systems that range from ballistic missiles in the hands of a hostile state to clandestine devices delivered by non-state terrorists, has greatly complicated the defense of the U.S. homeland. The deterrence policies of the Cold War may not work against such opponents, especially non-state terrorists.

The Impact of the Iraq War: The U.S. decision to invade Iraq is likely to have several profound implications for U.S. defense policies and planning for at least the rest of this decade.[4] First, the continual instability in Iraq more than a year after the overthrow of Saddam Hussein's regime means that the U.S. military, especially the Army and the Marine Corps, may have a major commitment in that country for several years to come. Second,

[3]For example, a nuclear-armed opponent might be prepared to use a limited number of nuclear weapons at an appropriate altitude to cause wide-area electromagnetic effects, in essence using them as weapons of mass disruption.

[4]For more on the strategic ramifications of the Iraq War, see William Odom's article in the Summer 2004 issue of *The National Interest.*

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the fiscal costs of Iraq are already having an effect on the modernization plans of the U.S. armed forces. With the costs of Iraq amounting to roughly $4 billion per month, the modernization plans of the services are in jeopardy of having to be truncated to pay for the long-term costs of the Iraqi occupation.[5] Third, operations in Iraq are consuming a considerable percentage of Army and Marine Corps force structure. Thus far the burden has been somewhat reduced by the extensive use of reserve forces. It is not clear, however, how much longer the large-scale or extended (over one year in many cases) use of reservists can go on, and there are already indications of recruiting and retention problems in the reserve components, especially the Army Reserve and National Guard. Fourth, the large-scale, extended deployment of troops in a hostile occupation situation could, if it lasts for years, test the viability of the entire volunteer-force concept, in both the reserve and active components. Indeed, several members of Congress, including Sen. Chuck Hagel (R-NE), have publicly raised the possibility of re-instituting the draft. Fifth, the occupation has shortened the horizon for U.S. defense planners. The focus is increasingly on meeting the immediate needs of U.S. forces that are engaged in ongoing and likely protracted military operations. This has led to a bias toward those parts of the defense budget associated with operations and maintenance versus long-term capital investment. Much of the most recent defense increases have been absorbed by consumption at the expense of investment. In addition, tax cuts, healthcare and Social Security are all likely to put serious pressure on future defense budgets.

Finally, Iraq may also have an important impact on U.S. domestic attitudes toward the use of military force in the future. In the aftermath of Iraq, it may be much harder to gain domestic support for military interventions abroad, except if the United States is directly attacked. "No more Iraqs" could become a strong sentiment within large parts of the American public. At a minimum, future U.S. presidents are likely to think twice before committing U.S. forces in messy conflicts abroad and to give greater consideration not just to the military costs of any intervention but also to the problems of post-conflict reconstruction. In particular, support for preventive war and preemption is likely to be harder to obtain.

New Challenges for Defense Planning

THIS CHANGING strategic environment has a number of implications for U.S. defense planning that will require the attention of future administrations:

•While the United States will still need to hedge against threats from state actors, many of the threats the United States will face will come from non-state actors. As a consequence, the United States may find itself increasingly facing a new type of threat—a "war in the shadows" that combines elements of conventional warfare, special operations and law enforcement. Many current and future opponents, both state and non-state, may decide that challenging the United States using conventional military means is a losing game. Instead, they may conclude that the United States can best be confronted by unconventional means—either by relying on terrorism and insurgency or by trying to acquire nuclear weapons.

•The current forward-presence posture of the U.S. military should be revised.

[5]Some lawmakers, such as Sen. John McCain (R-AZ), have called for the elimination of the USAF's cherished F-22 fighter program to help pay for Iraq, and the Army has been forced to scrap the Comanche helicopter program.

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Important steps in this direction are already underway, including a draw-down of the decades-old U.S. presence in western Europe. Given the likelihood of many future operations taking place in the zone of instability, more attention should be given to increasing U.S. access to that region, including a gradual repositioning of forces around the periphery of the area, with greater emphasis on selected "hubs" such as Guam and Diego Garcia.

•The United States may find it more difficult to obtain access to facilities in Muslim nations in the zone of instability. Turkey's refusal to allow the United States to use its facilities during the Iraq War highlights this problem—and Turkey is a NATO ally. Consequently, the United States may have to look at other options, especially sea-basing and the increased use of long-range aviation. The U.S. experience in the first few months of operations in Afghanistan in 2001 provides another example of the access problems the United States could face in the future, as it took months to negotiate basing permission from the countries surrounding Afghanistan.

•Expeditionary operations will increasingly become the norm. Moreover, in many cases the deployments may be into areas where the United States has no or very little military presence in the pre-crisis period. While formal alliances will remain important, many crisis response operations beyond Europe may be conducted by *ad hoc* coalitions of the willing. As a result, the United States may find itself compelled to operate with new and different allies and partners such as Pakistan or India. This will complicate interoperability and require the United States to intensify defense cooperation with a new set of partners while continuing to encourage our NATO allies to enhance the deployability of their forces for operations beyond Europe.

•Post-conflict stability and policing operations are likely to increase. Most of the operations that the United States conducts over the next ten years are likely to be at the low to middle end of the conflict spectrum. Some, if not most, of these operations could be of long duration. Some may be in a relatively benign environment, but others may be in a much more hostile environment (such as Somalia and Iraq). Moreover, the type of forces and training needed for the stabilization and reconstruction phase are quite different from those needed for the combat phase of an operation. In the post-conflict stage, the United States needs civil engineers, military police, civil affairs personnel, and troops with specialized language training. These are currently in short supply, and those that exist are mostly in the Reserves, not in the active forces.

•The United States needs to be able to transition much more quickly from the combat phase to the stabilization-reconstruction phase. This is the key lesson from the Iraq experience. Addressing this will require training more troops in post-conflict reconstruction tasks. Indeed, it may be useful to create forces specifically trained and structured to carry out post-conflict reconstruction and stability tasks. This could include the creation of more peace-enforcement units such as military police and civil affairs or, more radically, the creation of specialized combat units whose training and organization are optimized for such missions.

•The United States may well not face another opponent similar to Iraq in the foreseeable future. Only four plausible opponents come readily to mind: China, Iran, North Korea and Syria. China is a special case, with much greater military power—specifically a transoceanic-range nuclear arsenal—than any other plausible opponents. North Korea has a small but

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expanding nuclear arsenal, and there is evidence that Iran is on verge of developing one as well. At present, Syria appears to be conforming to the new strategic reality in the Middle East and is not taking any actions that would directly provoke the United States. There is no evidence that Syria has or is attempting to acquire nuclear weapons.

•The proliferation of nuclear weapons by regional opponents fundamentally changes the stakes involved in any potential conflict. At a minimum, the presence of nuclear weapons would significantly reduce the likelihood that the United States would be inclined to accept the risks associated with the deployment of sizable numbers of ground forces and/or land-based aviation within range of such a threat. All of the services will need to come to grips with the realities of fighting in a military environment where there could be limited use of nuclear weapons. The joint operational concept of any future large-scale forcible entry operation and the ensuing campaign of regime change will have to be redesigned to minimize the vulnerability of those forces to nuclear attack. Furthermore, that operational concept will have to deal with the challenge that major population centers of local allies may be menaced by this regional nuclear strike capability.

•The increasing threat from CBRN weapons will require the United States to rethink aspects of homeland defense in order to defend against slow motion and stealthy delivery of CBRN weapons. These weapons can be used by either hostile nation states or non-state actors. The most difficult threat to counter may be a covert movement of CBRN weapons into the United States, probably by a non-state terrorist group. The threat could require a greater level of effort by the U.S. military to supplement current border control measures, as well as monitoring abroad the flow of goods such as those found in the vast movement of seaborne containers.

•In light of the shifting focus of future threats, U.S. defense planners need to rethink defense investment priorities. In the past decade, the main focus has been on preparing to fight major regional contingencies against state actors armed with classic, combined-arms weapons systems and organizations that have at worst a biological and chemical weapon arsenal. However, in the future, most conflicts are likely to be at the low end of the military spectrum, thus requiring the U.S. military to place more emphasis on this type of military challenge. In addition, the U.S. armed forces will have to design and deploy forces that can effectively defeat a major opponent armed with nuclear weapons.

Implications for the Services

THE NAVY and Marine Corps are best suited to overcome the effects of constrained access. The importance of naval aviation in both the Afghanistan and Iraq operations highlights this reality. Whereas the Air Force's relatively short-range, land-based fighters were significantly constrained by political considerations in both operations, carrier-based fighters faced no such limitations. A strong case can be made that the bulk of tactical aircraft modernization should be directed toward the modernization of sea-based Navy and Marine Corps aviation rather than the larger USAF fleet of tactical aircraft.

The Navy and Marine Corps need to continue to improve their sea-basing capabilities to facilitate the rapid projection and sustainment of significant amounts of power from offshore locations. Increased sea-basing could also benefit Army and Air Force elements that

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the United States might want to project into a threatened region, at least in terms of logistics. The evolution toward a more robust sea-basing philosophy may prove to be one of the more practical ways in which the United States adapts to nuclear-armed regional powers. This would allow the logistical support to operate in mobile fashion offshore and be defended against nuclear-armed ballistic and cruise missile strikes. Additionally, the Navy and Marine Corps need to give greater emphasis to how they can contribute to prolonged, low-intensity, counter-insurgency-type operations in littoral areas such as Colombia, the Philippines or Indonesia.

The Marine Corps should work closely with the Navy to determine the optimal future mix of traditional amphibious ships, fast sealift vessels, and new types of pre-positioning ships. Additionally, the Marine Corps has two expensive programs, the V-22 tilt-rotor aircraft and the Expeditionary Fighting Vehicle, that may be inappropriate for many future missions. Amphibious assaults, which have been a rare event since the end of World War II, will remain an occasionally needed capability in the future, compared to uncontested operations from the sea. Therefore, the Marine Corps should balance their traditional focus on assault operations with other aspects of sea-based operations.

Given the trends in the global threat, less emphasis should be placed on systems related to ship-to-ship combat and our own submarine forces. Just as the United States already has a decisive advantage in air-to-air combat, we also have a huge edge in our ability to dominate any engagement with enemy surface craft. This is an area where the Navy could forego any near- or mid-term investment. With the exception of the Chinese, the submarine threat the United States would face from regional opponents is limited to relatively small numbers of generally obsolete submarines that are only capable of operations fairly close to their own bases. While that threat cannot be ignored, it does not require large investments in new anti-submarine capabilities. Additionally, while other uses can and should be made of the current U.S. submarine force, the Navy should not attempt to find uses for submarines (which tend to have very limited conventional weapons payloads compared to their overall tonnage) if surface combatants and aviation can perform the required missions. The primary advantage of using submarines for strike operations is their stealth, which on occasion is an important attribute. However, only China and Russia are capable of creating a future naval surveillance and strike capability that warrants the investment required to use our submarine fleet, especially the converted Trident nuclear-missile submarines, as stealthy cruise missile carriers.

Certain elements of the Air Force truly have "global reach", such as long-range heavy bombers, aerial tankers and transports. Increases in these capabilities should be given priority to ensure that strike and transport aviation can be used in areas where shore access could be challenging. Additionally, the Air Force should continue to increase its air- and space-based reconnaissance and surveillance capabilities, including the ability to locate and track small numbers of enemy operating in restricted terrain such as forests, cities and suburbs. It is noteworthy that today the Air Force has no firm plans to build another long-range bomber to eventually take the place of the B-52s, B-1s and B-2s that are available today in relatively limited numbers. Meanwhile, it is on the verge of a major purchase of a large number of short-range fighters. The F-22 Raptor and F-35 Joint Strike Fighter—precisely the type of aircraft that was badly constrained in both the Afghan and Iraq wars due to political access problems. Further, these relatively

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shorter-range fighters have to use bases that are far more vulnerable to the growing regional nuclear threat. At a minimum, the Air Force should plan to extend the life of the B-52s and B-1s through re-engining and avionics upgrades. In the longer term, a new, long-range, long-endurance, large-capacity strike aircraft is needed. In addition to altering the bomber-fighter investment mix, the Air Force should also place greater emphasis on airlift and long-range, high-endurance reconnaissance and surveillance platforms. The latter can be a mix of manned and unmanned, air-breathing and space-based systems.

All operations since the end of the Vietnam War have shown that the United States has an overwhelming edge in the air-superiority battle. Indeed, in both the Afghan and Iraqi operations, the enemy did not manage to get any aircraft into the air to oppose U.S. forces. Nevertheless, the Air Force continues to invest heavily in new platforms (the F-22 is the best example), sensors and weapons that are focused on air-to-air combat. The United States must continue to maintain its considerable advantage in air superiority, but that need must be balanced against other missions the Air Force has to perform. The most challenging threats to U.S. air dominance are probably politically driven access problems and the regional threat of nuclear attack. Even the threat from modern surface-to-air missile systems, while probably a greater challenge than the fighter forces of most likely opponents, is not as severe as is often portrayed, since the large cost of modern SAM systems has constrained their proliferation.

While the Air Force should continue to hedge against the possible emergence of a significant air-to-air threat as well as continuing to enhance its ability to counter modern surface-to-air missiles, it has to strike a better balance of those needs with other, more likely challenges and requirements. The Air Force would be better off buying a limited number of F-22s and investing in the next generation of aerial platforms designed to detect ballistic and low-level cruise missiles.

An important consideration for the Air Force (and naval aviation) is the recent willingness of the Army to reduce its organic artillery (and thus the amount of tonnage the Army must deploy in a crisis) based on the assumption that air support will be available in sufficient quantity and in a timely manner. This increased willingness of the Army to rely on air support presents the Air Force and Navy with an opportunity to focus resources on an important mission that will benefit the entire joint force.

The Army will be the most directly affected by the changes in the security environment. Of all the services, the Army is the best suited to conduct mid- to low-intensity operations, as events in Iraq clearly show. But this is not an area that the Army leadership has traditionally wanted to emphasize. Culturally, the Army has wanted to focus on the "high end" of the conflict spectrum, and often thinks of itself as the "supported service" in conventional combat operations, assuming, therefore, that its concepts will dominate campaign planning, with the role of the Navy and Air Force being to transport the Army to the operational area and then provide it with fire support. While this view of joint operations may still hold true in some operations, the "reconnaissance-strike" potential of the Navy and Air Force is now so good that many senior U.S. military and civilian leaders will be inclined to attempt to force a decision with that lower-risk technique, employing ground forces only when necessary and after an opponent has been severely weakened by strike operations. This is changing the relationship between air and ground forces in major combat operations—the "high end" of the conflict spectrum that the Army wants to focus on. Meanwhile, the global strategic situation strongly indicates that the majori-

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ty of military operations that the United States will conduct in the next decade or more will be stability missions such as peacekeeping and peace enforcement.

Therefore, while the Army will need to maintain the capability to conduct major combat operations in the future, it will have to put greater emphasis on being able to conduct operations at the low- to mid-level portion of the conflict spectrum, and on special operations forces and counter-insurgency warfare. The kinds of operations that the Army is currently conducting in Afghanistan and Iraq—or possibly in Indonesia, Colombia or elsewhere in the future—are the missions that will consume most of the Army's time and resources. The service must be better trained and organized for this possibility.

As far as its investments are concerned, the Army needs to take a more realistic view of what its Future Combat System (FCS) might be. The level of technological risk of the current FCS program is unwarranted, and the cost of re-arming most of the Army with the system is prohibitive. Recent operations in Afghanistan and Iraq have clearly shown that the Army will need to retain a mix of heavy, medium (such as the current Stryker and the still-to-be-developed FCS), and light forces, plus an enhanced special operations element.

Today the Army is in the process of eliminating from the active force some field artillery and air-defense units and using the manpower savings to create more military police, civil affairs and other support-type units that are more conducive to low-intensity stability-type operations. This is a positive trend that will help reduce reliance on the Reserves and National Guard to provide such units. But the Army should also place more emphasis in its training and doctrinal writing on stability, counter-insurgency, and other low-intensity operations that will certainly be by far the most frequent missions in the coming decade and beyond. In order to improve its ability to conduct stability operations, the Army basically has two options: either include more training for such missions in conventional combat support units such as military police, or create specialized elements that are optimized for the mid to low end of the conflict spectrum. Of the two, the more controversial choice is the creation of specialized units that have skills focused on contested stabilization and counter-insurgency operations. A strong case can be made that the Army's approach to treating these type of political military operations as a "lesser included case" is a mistake. Certainly, lessons emerging from the contested occupation of Iraq suggests that combat troops need considerable retraining to effectively become more like heavily armed police rather than warriors sub-optimized for high levels of military violence. As the army of the world's only superpower, the U.S. Army must maintain its emphasis on high-intensity conflict. However, it needs to strike a better balance between high-intensity combat operations, where it has traditionally wanted to focus, and preparation for mid- to low-intensity missions.

ADAPTING TO these new strategic imperatives will require the next administration to make some hard choices regarding investment priorities. In particular, it will need to give higher priority to equipment and forces designed to fight wars in the shadows, as opposed to major conventional wars, and then undertake effective postwar reconstruction. This shift in emphasis will undoubtedly be controversial, especially for the Army. But it is essential if the United States is to adequately address the new strategic challenges it will face in the coming decade. □

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Spies Like Them

Richard L. Russell

THE 9/11 Commission Report dominates the agenda these days on Capitol Hill and the airwaves in the public debate over the restructuring of the intelligence community (IC). Commission members are now busily arguing for a new National Intelligence Director (NID) coupled with new intelligence fusion centers—for counter-terrorism and proliferation—which they argue go a long way to fix what ails American intelligence.

Aside from the media splash, it is hard to discern how the commission's recommendations would cut to the heart of our intelligence problems, and not just those associated with the 9/11 tragedy. The portfolio of responsibilities for the proposed NID are little more than a rehash of the responsibilities currently exercised by the Director of Central Intelligence (DCI). And new intelligence centers are not needed because they already exist in the bowels of the CIA. The IC needs wider and deeper horizontal sharing and webbing of intelligence, with a special emphasis on getting the FBI to contribute to the information pool, as befitting the information-technology age—not the creation of a ponderous new layer of bureaucracy reminiscent of the Cold War.

The 9/11 Commission recommends structural, or "hardware", additions when better management and business practices, or "software", in core intelligence functions inside the existing IC—especially at the CIA—are most needed. Although it has been eclipsed by media attention on the commission report, the Senate Select Committee on Intelligence (SSCI) report on intelligence failings in the run up to the Iraq War is in many respects a more perceptive, penetrating and diagnostic study of the CIA's faults.

THAT THE CIA had no spies collecting information on WMD inside Iraq after UN weapons inspectors departed Iraq in 1998 is one of the most damning findings of the SSCI report. And the SSCI, judging from my own 17-year career at the CIA, has precisely diagnosed the root cause of the CIA's failure: "a broken corporate culture and poor management", which "will not be solved by additional funding and personnel."

Acting DCI John McLaughlin, at a press conference defending the Agency's performance, asked, "How do you measure, how do you balance a hundred successes against one failure?" McLaughlin's defense is hardly a credible one in light of the CIA's failures in 9/11 and Iraq—arguably the gravest intelligence debacles

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in the CIA's fifty-year history—coming in a short span of about two years. These intelligence failures and the SSCI's investigation clearly show the American public that the CIA is broken, no matter how deep into denial the Agency's senior management sinks. And reforms cannot be postponed until after the United States destroys Al-Qaeda and stabilizes the security environments in Iraq and Afghanistan.

The CIA may well score some intelligence successes against lesser adversaries, but it has a history of losing the big games. The CIA failed to recruit spies in the Kremlin during the entire Cold War, in India to warn of New Delhi's 1998 nuclear weapons tests, and early in the evolution of Libya's nuclear weapons program that Tripoli now has surrendered. CIA officials publicly hail the breaking-up of the A.Q. Khan nuclear supply ring as an intelligence coup, but one wonders if the CIA has the human intelligence assets needed to find out whether Khan's operations were officially sanctioned and supported by Pakistan's President Pervez Musharaf and his intelligence services in order to subsidize Islamabad's own nuclear weapons program. In light of the SSCI's assessment that the CIA lacks its own human intelligence assets, one suspects that the CIA is too heavily dependent on its liaison with Pakistani intelligence to find out if Khan was working for, rather than against, Islamabad's strategic interests.

So what were the CIA's case officers in the Directorate of Operations (DO)—charged with recruiting human spies inside regimes and terrorist groups plotting against U.S. interests—doing to redress the lack of human intelligence (HUMINT) in Saddam's Iraq? The answer is, not much. The committee discovered that, "When UN inspectors departed Iraq, the placement of HUMINT agents and the development of unilateral sources inside Iraq were not top priorities for the Intelligence Community." Apparently, the DO was "whistling pass the graveyard" and hoping against the odds that a crisis would not yet again emerge in Iraq to expose the gaping hole in American human intelligence, a hole that had never been patched after the Gulf War.

Policymakers and military commanders during the Gulf War—from Secretary of State James Baker, to Deputy National Security Advisor Robert Gates, to the commander of coalition forces Norman Schwarzkopf—have lamented in their memoirs that the CIA had failed to produce human intelligence of sufficient quality to illuminate Saddam's perception and decision-making process as he prepared to invade Kuwait and to wage war against coalition forces. The DO also failed to penetrate the mammoth nuclear and biological weapons programs that Saddam was then hiding. Given this legacy of intelligence weakness, it is no mystery why the Bush Administration was worried that the CIA in 2002 was again grossly underestimating Saddam's WMD programs.

The DO's failure in Iraq stems in no small measure from its heavy institutional and cultural bias toward recruiting and running agents in place. Case officers are trained and rewarded for spotting, assessing and recruiting agents, even if their agents produce third-rate intelligence of marginal relevance to U.S. national security interests. DO officers are loath to admit it, but spies with top quality intelligence, by and large, are not seduced by case officers to commit treason. A close reading of memoirs by former and distinguished CIA case officers of all generations and who worked in a variety of regions shows that the best spies are not seduced, but volunteer their services to the United States.

Looking ahead, the DO needs to concentrate on vetting and debriefing "walk-ins" who volunteer intelligence to CIA case officers overseas while encouraging and facilitating defections from the intel-

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ligence targets that matter most to American interests. The CIA today, for example, should be sparing no expense or effort to encourage defections from Iran, whether from members of the Revolutionary Guard or technicians and scientists from Iran's suspected nuclear weapons program. Although defections offer a one-time snapshot of clandestine activities, one snapshot is better than none. CIA analysts, if given a critical mass of reporting from dozens of defectors from Iran, could paste together a clearer picture of Iran's nuclear weapons program than we have today.

Many commentators and observers take as a "lesson learned" from CIA's Iraq intelligence failure that defectors cannot be trusted. But neither can paid or "controlled" human assets on the CIA's payroll. They too have vested interests in telling the United States what they think Washington wants to hear, if only to keep those CIA paychecks coming. What CIA analysts need—much like investigative reporters—is a wide variety of reporting sources that can be cross-checked against other sources to fathom ground truth.

THE CIA needs to break its umbilical cord to U.S. diplomatic facilities overseas as its primarily infrastructure for human intelligence collection. The SSCI found that human operations

> against a closed society like Iraqi prior to Operation Iraqi Freedom were hobbled by the Intelligence Community's dependence on having an official U.S. presence in-country to mount clandestine HUMINT collection efforts.

To be sure, case officers based under diplomatic cover in these facilities will be critical to receiving and debriefing walk-ins and defectors, as well as for liaison with host intelligence services. The United States, however, needs more robust human intelligence collection means against hard targets such as North Korea, China, Saudi Arabia and Syria, where America has no official diplomatic presence or where the counterintelligence environment is too tight for case officers under official cover to operate effectively.

The CIA needs to substantially bolster the use of non-official cover officers (NOCs) who have no connections to the American diplomatic infrastructure. Such officers can melt into areas rich in hard-target HUMINT collection opportunities such as the Muslim expatriate communities in Europe that are hotbeds for Al-Qaeda recruitment, indoctrination and logistics, and, for instance, in the Chinese expatriate communities of Asia. CIA NOCs in the past have suffered from neglect at the hands of old-school DO managers, who dominate the CIA's bureaucratic power structure. As intelligence expert James Bamford has observed, NOCs are forced to operate under the authority of the DO's regional offices, which traditionally look down upon their NOC counterparts.

One of the first orders of business for the next DCI should be to give NOC officers their own separate chain of command that runs directly into the DCI's suite. The infusion of competition between a rejuvenated and independent NOC program could be constructively managed by the DCI to put a "fire" under the backsides of the recalcitrant, risk averse and old-school DO officers. As it stands today, the old-school DO is a monopoly that needs to be deregulated under the DCI's authority.

The CIA's NOC program also has suffered in the past due to salaries for its officers. NOCs might be earning six-figure salaries, for example, running legitimate businesses overseas and be required to surrender those earnings for substantially smaller government salaries. The next DCI needs to push for legislation on Capitol Hill to allow NOCs to keep both salaries in the future. NOCs, after all, are

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earning the money by working two jobs and are taking greater risks than traditional DO case officers because they are not protected by diplomatic immunity.

If Congress wants an aggressive, risk-taking CIA, as the SSCI report suggests, then letting NOCs earn a decent living is certainly one way of redressing this long-standing challenge. The prospect of hefty incomes, moreover, would help the NOC program recruit Americans with the technical and scientific expertise needed to target weapons of mass destruction programs, skills that are not nurtured inside the CIA's bureaucratic walls.

The CIA needs to work hand-in-hand with the FBI to collect human intelligence from hard-target expatriate communities in the United States. This recommendation, of course, raises alarm bells over the prospect of eroding American civil liberties. But some balance must be struck between civil liberties and the fact that the United States offers a rich environment for running human intelligence sources. It's a safe bet that American universities are unwittingly training foreign scientific and engineering cadres that will staff in the near future the chemical, biological and nuclear weapons and ballistic missile programs in India, Pakistan, Iran, China and Egypt, to name just a few states. And terrorists from Al-Qaeda, Hizballah, Hamas and Islamic Jihad still walk American streets, despite the post-9/11 security measures.

The CIA's DO and the FBI still operate in the Cold War prism of a sharp dividing line between domestic and international operations, but in the era of globalization, no such line exists, and the world at large lives in the United States. American human intelligence collection operators would be derelict in their responsibilities not to run human operations and solicit walk-in information from foreign communities in the United States. Such operations, moreover, would be inherently easier to run in the United States than abroad in the hard-target countries themselves.

Rep. Porter Goss (R-FL), President Bush's nominee to become the next DCI, just might have the skills to tackle these challenges. Given his experience on the House intelligence committee, he is an expert on the infuriatingly complex IC. Equally important, Goss's decade of experience as a DO case officer—a unique qualification in the halls of government power—should give him credibility among the CIA's rank and file, especially in the DO.

In the past, the DO all too readily dismissed DCIs armed with reform agendas as naive outsiders. This is clearly not the case with Goss, who, though a strong backer of the CIA, has not shied away from criticizing it when criticism has been due. While some argue that Goss is too "political", his political savvy would be invaluable for garnering the political capital necessary to fix the CIA. Whether or not an NID post is created, revamping the CIA's human intelligence collection capabilities will be a critical task for the next DCI.

Defenders of the CIA's performance argue that no matter how diligent, intelligent and creative the CIA may be, intelligence failures are inevitable. There is a grain of truth in this defense in that, as is the case in all of human affairs, complexity rules supreme, and human beings are incapable of perfect and routine clairvoyance. Nevertheless, the argument too easily becomes a way to escape responsibility for the CIA's dismal intelligence performances and too readily provides cover for dodging tough decisions needed to undertake major, not cosmetic, reforms. The remedy for CIA's "broken corporate culture and poor management" does not lay in conducting business as usual in the high-risk post-9/11 environment. Only a new, energetic and aggressive DCI, empowered by the president and Congress to overhaul the failing CIA, can deliver the spies the United States needs to defend itself. □

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Reversing Proliferation

Ira Straus

OF THE three interwoven threats to America—terrorists, rogue states and the proliferation of WMD—the third has provoked the least public debate since 9/11. This is curious, since the invasion of Iraq was intended as an exercise in counter-proliferation and the administration has announced a major program to deal with other cases of the spread of WMD. But public debate has focused on the prudence of pre-emptive war and unilateralism, and on whether Iraq had stockpiled WMD in the first place, not on the ways the momentum can be and is being used to overcome further WMD threats in Libya and Pakistan and to strengthen the anti-proliferation regime more generally. The Bush Administration's ongoing program has received little serious attention outside of expert circles, despite eye-catching measures such as the Proliferation Security Initiative, which empowers the United States to board ships suspected of carrying WMD contraband.[1]

Meanwhile Iran and North Korea demonstrate that the old non-proliferation regime is still in crisis. Yet at the same time, wider diplomatic conditions are better than at any point since the 1940s for a realistic policy of not only non- but even counter-proliferation—that is, the use of force to stop proliferation. Measures can be taken in the near future to reverse the impending crisis, and a short capsule history will explain why.

THE HISTORY of non-proliferation diplomacy falls into three periods. The first was the period of U.S. nuclear monopoly that lasted from 1945 to 1949, during which robust plans for an anti-proliferation regime were proposed. In the late 1940s, the Baruch Plan proposed global management of uranium and UN enforcement actions that would have been exempt from a veto in the Security Council.

It was no accident that the Baruch Plan was drawn up at a time when there was a single power center on nuclear affairs—the United States—even though it avoided drawing on American power *per se*. A single cohesive global power center, pushing through standards and taking the steps necessary to enforce them, was needed if proliferation was to be prevented. Baruch was a proliferation pre-emption plan. Yet the Baruch Plan was stymied by the Soviets, who exercised their Security Council veto to avoid adopting the plan, thereby preserving the principle of Security Council veto in all matters, including the question of nuclear prolifer-

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[1] A notable exception to this is Graham Allison & Andrei Kokoshin, "The New Containment", *The National Interest* (Fall 2002).

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ation, which the Baruch Plan would have abolished. Thus it was doomed from the start.

Two different Western thinkers saw the logical next step. Bertrand Russell and James Burnham both advocated the preservation of America's nuclear monopoly by a preventive war threat against the USSR if it sought to build the bomb. Both saw U.S. power as the only available enforcement arm for non-proliferation. As the phrase went at the time, it was a matter of "using the atomic monopoly in order to preserve the atomic monopoly."

Realistic though this sounded, it was hugely risky. Preventive war was threatened not against a small rogue state but against one of the two surviving great powers—risking a world war with an uncertain outcome. Most non-communist countries were in ruins, revolutionary communism was a global force, and Soviet authority was buttressed by its decisive role in winning World War II. Though Russell and Burnham hoped to win by threat of war, the threat, to be convincing, would require a clear capacity to win.

Aware of these difficulties, Russell and Burnham iterated a political prerequisite for their policy: a union of the remaining free countries of Europe with America. This would provide a wider power base for victory and for subsequent stabilization. It would also serve legitimizing purposes, fitting the pre-emptive policy into the progress of world order: a united Europe-America already constituting, in Einstein's phrase, a partial world government. In short, it mixed the ideas of global empire and world government in a relatively realistic manner, setting up the main elements in embryonic form and dealing with imminent technological dangers.

But the Russell-Burnham policy ended along with American nuclear monopoly. The Soviet Union acquired the bomb in 1949. When Stalin died in 1953, the result was an immediate switch in Soviet diplomacy that brought the Korean War to an end and set the Cold War on more stable lines. Russell and Burnham then went their separate ways. Russell put his priority on nuclear disarmament and constructing neutral bridges back to a unified world; Burnham, on defeating communism to secure a Western-led world order. Russell became the grandfather of the New Left, Burnham, of the neoconservatives. Nuclear bipolarity had become an established fact; preventing further proliferation now became the main task of diplomacy.

The second period of non-proliferation, lasting from 1949 to 1989, was marked by the fact that there was no single power center capable of enforcing the rules. In the early 1960s, John Strachey, an anti-communist British Labour politician and strategist, called on America and the Soviet Union to constitute such a power center together and to enforce tough inspections—through preventive war if necessary. As with the Baruch Plan, however, Cold War rivalry prevented the Strachey Plan from getting off the ground.

To be sure, Mao accused the two superpowers of conducting a Strachey-like global "condominium" or "co-imperium." This was what he thought any two rational superpowers would do. (In the 1940s, the Soviets had similarly accused America of following the Russell-Burnham policy. They too thought any rational power would do this.) The reality was that America and the Soviet Union were in deadly competition for global power, even as they wished to cooperate on proliferation. So the standards were set—and set low—by negotiations among enemies. The result was an "international regime" whose workings were structured to slow proliferation rather than to halt or reverse it.

In the 1950s, the IAEA was founded to promote peaceful uses of atomic energy and to provide economic incentives for its non-military use. It soon became unclear

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whether this was restraining proliferation or promoting it. In the 1960s, the two superpowers took something from the Strachey proposal: They acknowledged a joint responsibility for non-proliferation and the management of the arms race, negotiated the Partial Nuclear Test Ban Treaty in 1963, and played a leading role in creating the Nuclear Non-Proliferation Treaty (NPT). This upgraded the IAEA's authority to conduct inspections in each signatory country, with a goal of providing enough transparency and confidence as to avert races for the bomb among mutually suspicious groups of countries. It also strengthened Russia's embryonic westward orientation, in contradistinction to China.

During the same period, having created an alliance system within the West designed, among other things, to limit proliferation, the United States proposed a specific roll-back in the 1960s: a Multilateral Nuclear Force for NATO. This would have integrated French and British nuclear forces with America's and provided a potential core for an ultimate reversion to unity of nuclear forces worldwide. Charles de Gaulle vetoed the idea, however, preferring an independent nuclear deterrent for France. Some Gaullist strategists argued that global proliferation would lead to stability—a view shared by Maoist China and Castroite Cuba and later taken up by the likes of Kenneth Waltz and, of course, by subsequent generations of rogue states.

Thus, while proliferation was not reversed, neither was it allowed to spread unchecked. The NPT-IAEA regime provided regular mechanisms to slow down proliferation while making further proliferation among its signatories illegal—except for the loophole that the treaty could be renounced (as North Korea has recently done). It divided signatories into those acceding as nuclear states and those acceding as non-nuclear states. It perpetuated the discrimination in their status already established. And it enlisted the self-interest of the established nuclear powers in protecting the importance of their nuclear status by limiting the size of their club.

Great Power Responsibilities

IT MUST BE emphasized here that the NPT regime reflected and built upon the traditional conception of the special responsibilities of great powers, which goes back at least to the Treaty of Westphalia. The great powers mutually attributed special rights and duties to one another. The small powers accepted the reality, as well as the unwritten prerogative of the great powers to amend occasionally the rules in order to preserve the system's fundamental principles. Indeed, international law was largely the creature of great power practice.

The responsibilities of the great powers naturally grew more urgent with the advent of nuclear weapons. Five powers were formally attributed special rights in the Security Council and given almost unlimited authority to do as they chose—when unanimous—in the name of preserving international peace and security. Other states, accepting the brutal lessons of the two world wars, legally endorsed this extraordinary abrogation of their sovereignty and ratified the UN Charter. Yet when the Cold War broke out, and as long as the Security Council remained divided, the great-power prerogatives were recognized informally as belonging unilaterally to the superpowers. It was the only possible basis for successful non-proliferation.

Yet this was a realpolitik that dared not speak its name. Both superpowers were formally committed to anti-imperialist ideologies derived from their respective revolutions. They took this seriously enough to cooperate symbiotically in ending Europe's overseas empires. They competed for the loyalty of these ex-colonies and knew no greater accusation

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to hurl at each other than "imperialist." It would have been hard for them to jointly discuss such an imperialist subject as forceful counter-proliferation.

As long as the Cold War continued, the superpowers were enemies competing for clients, not allies forming a cohesive anti-proliferation core. The reality of competition repeatedly trumped the need for cooperation. Any nuclear-seeking regime would lean to one or the other side, so a preventive attack on it would change the strategic balance between the superpowers. It would have required something close to a miracle to get the superpowers to agree on mutually compensatory terms for proceeding with such a proposed attack. For example, the Soviets reportedly suggested a joint pre-emptive attack on China in 1969 and 1970; the United States refused, exploiting the situation instead to form its own links with China against the USSR.

The Third Phase

TODAY THE Cold War is over—and the third phase of non-proliferation is unfolding before our eyes.

Its most important features are the abatement of Soviet-American mutual hostility; the replacement of bipolarity with unipolarity (allowing tighter multilateral negotiations and more effective enforcement); and the substitution of small states for great powers as the potential targets of counter-proliferation. At the same time, the urgency of curbing proliferation has also grown. Nuclear knowledge and material are spreading, and rogue regimes and Islamist terrorists are actively seeking to acquire them.

But standards, once lowered, are not easy to raise again. A major jolt was needed to send them back upward. The Iraq War supplied the jolt. Libya, a long-intractable case, finally moved to renounce its nuclear (and great power) ambitions. Diplomacy alone would not have achieved this.

Nor would war alone have sufficed. In fact, the Gulf War already supplied an appropriate jolt in 1991, but that opening was not sufficiently exploited. With the Cold War drawing to a close and the trend toward cohesion on the Security Council growing, there could have been a joint Russian-American-led effort to clean up the rubbish they had strewn around during the Cold War. The moral energy was available for a new post-Cold War partnership. Global opinion would have welcomed almost anything that could have been presented as getting rid of "Cold War relics." But it was not to be.

The Gulf War revealed the holes in the old IAEA inspections regime. It led to creation of a new and more intrusive regime of inspection (UNSCOM, for the special case of Iraq). It introduced further discrimination into non-proliferation policy. It applied not to everyone but to a specific known offender. It was asymmetrical. It was put in the terms of truce for a defeated small country, thus perpetuating the war's abridgement of Iraq's sovereignty, and it was applied on that country by the Security Council making use of its unique legal authority over all other states. This enabled UNSCOM to be unusually successful in uncovering and destroying Iraq's WMD programs—although only with the help of further Anglo-American bombings and high-level defectors.

As time passed, the disunity of the Security Council and new forms of great-power rivalry came back into play. The Security Council's unit-veto structure made it ill-suited for carrying out a complex and costly program consistently, for states came to view their respective national interests differently.

In a sense, UNSCOM was too discriminatory. Remedial anti-proliferation was needed in more places than Iraq. Discrimination needed to be raised to the

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It was the rise of a theory of accommodation to Western leadership that led Argentina in the 1990s to renounce—like Brazil—its nuclear program and ratify the NPT after the Cold War. The author of the accommodative theory, Carlos Escudé, was at the time the decisive foreign policy advisor to the reformist Menem government. In his theoretical work, he had amended classical realism: He found it was inconsistent to view the global system as a mere anarchy among equally sovereign "units", when in fact it was an "imperfect or incipient hierarchy." It had rules, including discriminatory roles in rule-making and rule-taking. Peripheral states could either rebel against the rules, as do rogue states, or they could work within the rules to advance broader national interests. The resulting theory, dubbed "peripheral realism", enjoined governments in the periphery to follow the true national interest: make their countries attractive terrain for investment and social advancement rather than join in the global power politics game, which only served psychological interests. Thus the renunciation of the nuclear option was in Argentina's true national interest. At the same time, submission to global norms by *some* peripheral countries imposed an obligation on the great powers to uphold the norms against violators. Otherwise those who complied freely would suffer relative loss.

The achievement of Escudé and Menem was the heroism of reason. It subordinated the temptations of power politics to a careful estimation of true interests. But it was inadequately appreciated by the United States, where theorists remain uncomfortable with hierarchy and have accordingly done little to consolidate global norms.

Today this achievement is in danger of being undone, owing to a Brazilian government ideologically hostile to the global hierarchy. As a candidate, Luiz Inacio Lula da Silva had attacked the unfairness of the two-tiered structure of the NPT. As president, his government blocked portions of the requisite IAEA inspections of a uranium enrichment plant in Resende. The standoff threatened by early 2004 to reverse the worldwide momentum on non-proliferation. Escudé thus wrote to me in April:

> Brazil's gesture lends itself to imitation by Argentina, because it caters to nationalist feelings that are counterproductive, but which notwithstanding generate electoral gains. If a country refuses to allow IAEA inspections today, tomorrow it may be exporting strategic nuclear material to rogue states that wage war. And what few people realize is that Argentina has much more indigenous nuclear technology than any rogue Middle Eastern state. It has recently produced and sold a nuclear reactor to Australia, a relatively advanced country. If Argentina's technology is good enough to find a niche in the Australian nuclear market, can you imagine how tempting it would be for Syria or Iran to buy off corrupt Argentinian politicians, and in addition provide them with the pseudo-nationalistic excuse that they are improving the country's trade balance?
>
> As things stand presently, populist leaders hoping to gain short-term electoral profits have no reason to abide by U.S. leadership. On the contrary: it is politically profitable . . . to defy the United States. To prevent this, power of enforcement *vis-à-vis* the diverse rules that make a globalized world viable in diverse realms (security, finances, etc.) must be demonstrated.
>
> —Ira Straus

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level of a norm applied to all nuclear-seeking rogue states. Several countries grew tired of enforcing the sanctions regime against Iraq in the course of the 1990s. As the UNSCOM regime applied only to a single case, it had differential impact on the great powers of the Security Council. The Iraqi government was able to play upon this, as well as upon resentment of America as the *de facto* leader and arbiter of the process that the Security Council and UNSCOM were in effect fronting.

Had an UNSCOM-type regime been extended to all the "states of concern", it would have aimed to curb proliferation globally and thus brought the national interests of great powers closer together. It would have recognized, for example, Russia's list of states of concern—Pakistan, Afghanistan, Saudi Arabia—a list whose validity the United States came belatedly to recognize after 9/11—alongside Iraq, Iran, Syria, Sudan, Libya and North Korea on the American list. Such bargaining could have made for mutual support in dealing with both sets of rogue states, instead of inspiring Russia to launch resentful polemics against America's unilateral decisions on which countries counted as "rogues."

But this was not done in the 1990s. The decade passed. The problems grew worse.

TODAY, as in 1991, we can afford neither diplomacy without war nor war without diplomacy. Where there has been significant success, it is because the coercive action on Iraq has been supplemented with semi-coercive diplomacy, and because that coercive diplomacy has supplemented the work of multilateral treaties and institutions. And there are signs that the United States—despite its alleged propensity to "unilateralism"—has taken these lessons to heart.

President Bush announced a six-pronged initiative to strengthen the NPT regime in February 2004. Taken together, its six points add up to a substantial strengthening of the non-proliferation system. It combines recent *ad hoc* efforts such as the Proliferation Security Initiative. It tacks on multilateral measures such as the "additional protocol" with the IAEA, which can be agreed to one country at a time, and it joins them to a series of unilateral measures and voluntary collective measures (through the forty-nation Nuclear Suppliers Group). Thanks to this realistic mesh of different levels of work, progress can be made before all countries have signed on—a reality that actually provides an incentive for countries to sign on. It is also realistically discriminatory—indeed, it creates a third tier in the nuclear hierarchy: countries that do not enrich uranium. It does not go nearly as far as the *salto mortale* Baruch Plan, but it could be described as its partial revival, adapted in light of the realities of the intervening half-century.

The six points received immediate endorsements from men like Mohamed ElBaradei, Director of the IAEA, and from the administration's inveterate critic at the Carnegie Endowment, Joseph Cirincione. The endorsements indicate a broad base of support for follow-through. At the same time, Cirincione called for greater balance between non-proliferation spending (very small), counter-proliferation spending (huge, counting Iraq), and consequence management spending (huge also, in ballistic missile defense and Homeland Security). This is a useful conceptualization. It suggests that a more full-service approach would help in consolidating elite support for the administration's counter-proliferation innovations. Carnegie has also put forth its own collective draft plan, entitled, *Universal Compliance: A Strategy for Nuclear Security*, for following up on the anti-proliferation momentum. It calls for taking the successful UNSCOM-UNMOVIC experience of

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intrusive inspections and extending it to other countries. It acknowledges that the threat of military coercion has been necessary for these successes. It draws heavily on the supranational rights of the Security Council to impose non-proliferation obligations on all countries, urging the use of this to prohibit withdrawal from the NPT and make its norms binding on all. It offers a comprehensive "strategy synthesiz[ing] some innovative approaches of the George W. Bush administration, the benefits of the traditional treaty-based regime, and many new elements."

Both sides of the debate thus agree that more should be done to generalize the recent advances based on war, threat and intrusive inspections. The degree of consensus is encouraging, as was the momentum of action after the Iraq War. Without it, the jolt of the 2003 war could have been mostly wasted, as was the jolt of the 1991 war.

If there is to be an effective and durable non- and counter-proliferation effort, diplomatic gains must be embedded permanently in agreements and institutions. Existing organizations have to be reinforced and supplemented where necessary. Skeptics will point out that such bodies can become obstacles to action—as the United States feared was true in the run up to the Iraq War. Such fears are not always wrong. When an international body is crippled by great-power rivalry, it is not scandalous for other international bodies, or core countries, to act in its stead. More use can be made of devices such as coalitions of the willing inside NATO, and the (little known) absence of a legal requirement of consensus in NATO decision-making.

Cohesion is not consensus; it needs to be understood in the future more in terms of getting the job done for the common good and less in terms of waiting for agreement by every member. Cohesion is deepened when decisions can be taken on a timely basis and implemented by those willing to do so, as long as the minority pledges not to undermine the majority. Such coalition actions do not bypass the alliance but enhance it. Bypass operations are also sometimes necessary, but should not be overused. The core cohesion among the advanced technological allies (the NATO/G-8 plus group) has to be maintained, indeed upgraded; otherwise we could never keep up consistent economic and political pressures on would-be proliferators—and so keep down the cases of military enforcement to a workable remainder.

We also need to modernize our general thinking on proliferation in the light of these new realities. The NPT's leveling demand for universal disarmament was always unrealistic; it is now obsolete. The superpowers have drastically reduced their arsenals, and the danger from them is not in their numbers but in their security. As the former Russian parliamentarian and non-proliferation think-tanker Alexei Arbatov pointed out in June, only a supranational world government would make it possible to pursue general nuclear disarmament without destabilizing effects along the way. Today the NPT's disarmament demand could be replaced with an obligation for the nuclear powers to manage their arsenals better, take them off hair-trigger alert, coordinate them with joint planning, and even—though this is a very long-term goal indeed—aim at their ultimate integration. This is the only way back to the Baruch Plan, which aimed at unified control of nuclear resources and dangers.

FOR THE moment, this ultimate vision seems almost as utopian as disarmament itself. But some aspects of it, as we have seen, are realistic and necessary now. It provides the right orientation for practical steps. General acceptance of Western global leadership is a condition for the success of non-proliferation. In any social

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order, norms can be efficiently enforced from above only if they are broadly supported and most of the time mutually enforced horizontally. Fortunately, the leadership role of the NATO/OECD/G-8 countries is more widely accepted than it may seem at first sight. They have long been the leaders in global modernization and in providing the public goods of global security and efficient trade. Awareness of this reality has grown as the Western countries have ended their former centuries of internecine warfare. This awareness is in turn illustrated by the very fact that they have come to organize themselves as a core of global cohesion. Legitimacy has accrued accordingly. The old Cold War controversies have dissipated. The UN has come to accept NATO's regional and global roles. Other nations seek nowadays to be included in their joint structures, rather than trying to overturn them.

THE PERIOD from the end of Soviet communism to 9/11 was a lost decade for nonproliferation. With the Gulf War, the process of reversing proliferation seemed to be getting underway, but little was done afterwards. Two administrations let opportunities slip through their fingers. Clients of the two sides of the Cold War proceeded to spin out of control and develop independent strategic identities. Islamism got a second wind. Terrorists gained global reach and WMD ambitions. The dangers metastasized.

September 11 finally changed that—with preventive war, in cooperation with Russia (among other states), against the Taliban, coercive diplomacy over Iraq, and then war. Despite embarrassments over Iraq, the process has continued with semi-coercive diplomacy against proliferation elsewhere—diplomacy that has borne unprecedented if uncompleted fruit in Libya and Pakistan. But Iran and North Korea remain as serious unsolved problems and potential crises. If both countries are persuaded by some combination of diplomacy and the use of force to abandon their nuclear programs, then the rollback of nuclear proliferation will have begun. If not, the other countries in those neighborhoods will inevitably acquire nuclear weapons for self-defense. Europe may instinctively prefer diplomacy to force in countering proliferation; the United States may reason that force is needed to help diplomacy work. Whatever their differences, both Europe and the United States jointly have the best chance since 1965 to institute a serious regime of counter-proliferation. It may also be their last. □

I firmly believe that before many centuries more, science will be the master of man. The engines he will have invented will be beyond his strength to control. Some day, science may have the existence of mankind in its power, and the human race commit suicide, by blowing up the world.

—Henry Adams, letter to Charles Francis Adams, Jr., April 11, 1862

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Advancing Democracy

Paula J. Dobriansky

IN THE Summer 2004 issue of *The National Interest*, Adrian Karatnycky called for "an effort to press democracy's expansion" that would take advantage of what he described as

> an opening in history when there is a chance utterly to vanquish and banish the worst forms of tyranny and autocracy and replace them with an order rooted in the rule of law and democratic accountability before the people.

He is correct that the end of the Cold War and the attendant U.S.-Soviet nuclear stand-off have created a geostrategic landscape in which there is an unprecedented opportunity for the promotion of democracy. In fact, the United States is already pursuing this course. As President Bush stated in his introduction to the *National Security Strategy* released in 2002, America seeks "to create a balance of power that favors human freedom" and "will actively work to bring the hope of democracy, development, free markets, and free trade to every corner of the world."

President Bush is committed to these objectives because they are the right thing to do: The advent of democracy—backed up by the rule of law, limited government and civil society—advances human freedom and human dignity while empowering individuals and societies to reach their greatest potential.

The United States has a moral imperative to advocate that individuals around the world have the freedom to pursue their dreams in a secure, prosperous and peaceful environment. Promoting democracy also advances other important interests worldwide. Most immediately, it is an indispensable component of any viable strategy for winning the global war against terrorism, which poses a grave threat to international security in the 21st century. Democracy facilitates the establishment of legitimate and law-based political systems in states that may become sponsors or havens for terrorists, creates peaceful channels to reconcile grievances that can otherwise fuel bloody and destabilizing conflicts within nations, and instills hope, replacing the sense of powerlessness and despair that sometimes transforms ordinary people into willing terrorist recruits. It can also contribute to broader prosperity, which enhances stability and creates opportunities to expand trade and investment ties between nations.

Democracy-building is a protracted process, and one or two free elections do not a democracy make. A mature democracy requires far more than periodic holding of even free and fair elections. It calls for limited government, with many of the economic, social and cultural issues being

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handled within a private sphere. The rule of law is another must, with a particular emphasis on ensuring governmental accountability. Even though building a mature democracy may take a long time, we should pursue such a goal with vigor and dispatch.

While we believe that our constitutional structure and political philosophy contain unique insights into how to build and manage a multi-ethnic and diverse democracy, and while we are happy to share our experience, promoting democracy does not mean imposing the American political and constitutional model on other countries. On the contrary, citizens in emerging democracies must be free to develop institutions compatible with their own cultures and experiences. The desire for freedom, the rule of law and a vibrant civil society, and for a voice in one's government, is universal, but the specific institutional expressions of democracy will naturally vary by country.

UNDER THIS administration, U.S. efforts to promote democracy have taken several forms. Indeed, they have been as comprehensive and varied as the numerous challenges involved in democratization. One of our most exciting—and perhaps lesser known—endeavors is the Community of Democracies (CD), an unprecedented network of over 130 established and emerging democratic countries committed to strengthening democratic institutions and spreading democratic values worldwide. At its founding meeting in Warsaw in June 2000, an extraordinary group of ministers affirmed these principles in the Warsaw Declaration. Two years later, at the subsequent Ministerial Conference in Seoul in November 2002, the CD moved from affirmation to action, devising an ambitious and practical blueprint for its work. Known as the Seoul Plan of Action, this document spells out concrete areas for cooperative action among the participants, ranging from developing regional human rights and democracy-monitoring mechanisms, to promoting good governance practices and responding to threats to democracy.

Some recent activities of the Community of Democracies illustrate its practical approach and underscore its tremendous potential and growing impact. In June 2003, for example, government officials and NGO leaders from 14 African, Latin American and Caribbean democracies, as well as representatives of the African Union, the Organization of American States (OAS), and other regional organizations, met in Miami to discuss how they could most effectively address local threats to democratic governance. One of the most compelling moments during this gathering was a ten-minute speech by El Salvador's then-president, Francisco Flores, who movingly enumerated his country's enormous achievements during the last 15 years and described them as

> eloquent proof that El Salvador has discovered the path to defeat poverty and to attain prosperity. This path is called democracy, and it is based on this essential concept: that Salvadorans know how to resolve their problems; they just needed a chance to do it.

It is one thing for American officials to deliver this message, as we often do, but it is something else entirely for leaders in developing democracies to hear it from their peers. This discussion has intensified in the Western Hemisphere, where leaders of OAS member states participating in the special Summit of the Americas in Monterrey, Mexico, earlier this year explicitly recognized the Community of Democracies' work and urged the body to continue its efforts to strengthen democratic institutions.

A May 2004 initiative to assist East Timor in developing its nascent democracy likewise illustrates what the Community

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of Democracies can do to assist other countries. In this case, the CD sent a multinational delegation of local and national officials experienced in the nuts and bolts of democratic institutions to share the challenges they overcame and the lessons they learned in building and practicing democracy in their own countries. In addition to a Chilean public defender and an American judge (from American Samoa), the group included, among others, an Australian police official, a Cape Verdean election commissioner, and an Israeli local governance expert.

Beyond being action oriented, the Community of Democracies is distinctive and valuable in several other respects. First and foremost, unlike virtually all international organizations, it is not based on the principle of universal membership. Dictators and rogue states "need not apply." While the aim of the CD is to be inclusive rather than exclusive, participants and observers must make a demonstrable commitment to democratic governance and democratic values. Only countries with shared values are able to work together effectively to advance them.

The desire for freedom and for a voice in one's government is universal, but the specific institutional expressions of democracy will vary by country.

Second, the CD is structured as a flexible network, not as a traditional international organization with an elaborate bureaucratic structure. Indeed, it does not even have a permanent staff. Its objective is to facilitate purposeful interaction among interested participants. The Convening Group, a core group of ten especially committed and active governments, is a coordinating rather than a governing body. Discussions on expanding this body and rotating the participating countries are now underway.

Third, the Community of Democracies is guided by a multinational group that represents the economic and regional diversity of the democratic landscape. It is not an American-run effort. The United States is an active member of the Convening Group; Poland, South Korea, and now Chile—which will host the 2005 meeting—have chaired it.

Fourth, by its very nature, the Community of Democracies inherently recognizes—even celebrates—the many forms that successful democracies can take. It does not promote one particular model of democracy, but instead seeks to strengthen democratic principles and institutions that reflect them.

Finally, by linking these diverse democracies, some mature, with centuries of democratic experience under their belt, and others quite new, the Community of Democracies not only allows for exchanges of views and information between new and established democracies, but also creates unique opportunities for newer democracies to share experiences with one another. This interaction among governments that in some ways have more in common with one another than they do with older democracies can be extraordinarily valuable, as these states often face similar challenges—and their leaders often have to make similar tough decisions.

The Community of Democracies is also working to have a wider long-term impact, by influencing efforts to promote democracy and human rights within the United Nations and its component parts. Working closely with Chile, Poland, Italy and others, we are gradually building a caucus of democracies within various UN bodies. This democracy caucus has established a network in which democracies can coordinate their support for resolutions and initiatives and work together to elect more democracies to lead or participate in relevant institutions. We view this as an

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essential component of broader efforts to reform the UN, bolster the influence of democratic voices within international institutions and diminish the influence of non-democratic states.

These efforts are already bearing fruit. During the annual session of the UN Commission on Human Rights earlier this year, members of the CD's Convening Group and other democracies joined forces to support a resolution emphasizing the importance of good governance in protecting and promoting human rights. This group also backed resolutions on the incompatibility of democracy and racism and the need to strengthen the role of regional organizations in promoting democracy. Although many governments regularly support their neighbors (or avoid antagonizing them) and align along socio-economic lines, the emerging democracy caucus has established a complementary mechanism that, while respecting existing institutions, can also advance democratic values as a basis for cooperative action. Increasing coordination among democracies—and persuading them to vote together as democracies—can make a difference.

THE RECENT establishment of the Millennium Challenge Account (MCA) is another creative American policy that will contribute to the expansion of democracy. Announced two years ago by President Bush, this innovative initiative rewards developing nations that "make the right [governance] choices"—measured by their performance on 16 indicators—by offering the opportunity for additional U.S. assistance. Congress authorized $1 billion for this purpose in 2004; the president has requested $2.5 billion for 2005 and is committed to seeking $5 billion for 2006. Full funding for the MCA would mean adding 50 percent to the $10 billion that America provided through core development programs when the program was announced in 2002. In May 2004 the Board of Directors of the Millennium Challenge Corporation—the implementing organization, chaired by Secretary of State Colin Powell—announced a list of the first 16 countries eligible to apply for these funds.

The core logic of our approach is that, in the absence of political will to advance proven political and economic approaches, traditional development assistance cannot produce sustained progress on its own. Providing assistance without a strong commitment by the receiving government to improve citizen's lives is often unproductive, if not counterproductive, by helping leaders to continue business as usual. This situation has led some critics to question the value of foreign aid. However, from the very beginning, the Bush Administration has maintained that we need to reform the way development assistance is provided, focusing new attention on lasting development progress through partnership and mutual effort. The MCA builds on fifty years of experience by supporting those governments that have already demonstrated a commitment in three crucial areas: governing justly, investing in their people and encouraging economic freedom. Helping countries that have good laws and effective and transparent policies makes sense; they are best able to take advantage of U.S. assistance and, eventually, should no longer need it.

Compacts negotiated in partnership with participating governments are a cornerstone of this program. In addition to specifying objectives and priorities, evaluation criteria, and financial and accounting plans, recipients of MCA funds will identify the top challenges to their growth and development goals and are required to engage civil society groups and the private sector in their overall program. This not only promotes national ownership of the program, but further strengthens civil society and enhances democratic governance.

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More fundamentally, the MCA promotes democracy in three essential ways. First, it helps to consolidate democracy in the countries selected to receive assistance by rewarding good policies and supporting partnership between government and civil society to accelerate growth. Governments that sign compacts make a public commitment to sustaining and improving their performance in the three critical areas covered by the selection indicators. Second, governments that do not live up to those commitments will lose MCA assistance, providing a strong incentive for continued improvement and avoidance of backsliding. Finally, the assistance they receive—and the success we ultimately expect—will serve as a powerful example to countries that do not yet meet the eligibility criteria. A similar approach by other key international donors, something we strongly encourage, would substantially magnify the impact of this initiative.

NEEDLESS TO say, the United States also provides financial support to projects around the world that advance the development of civil society, free media and political parties and that promote human rights. The Department of State provides assistance directly through grants from programs like its Human Rights and Democracy Fund, which has more than tripled in size between 2001 and 2004, rising to $43 million. These funds go to important grassroots projects, such as legal assistance and human rights education in Uzbekistan, NGO development in China and the only independent radio station in Angola.

The Agency for International Development works to advance democracy as well through its Democracy and Governance programs, which focus on the four key areas of the rule of law, elections and political processes, civil society and governance.

Finally, the U.S. government works closely with a variety of domestic and international non-governmental organizations, such as the National Endowment for Democracy, the International Foundation for Electoral Systems and the Council for a Community of Democracies, among others. These groups are vital partners, contributing enormously to worldwide efforts to promote democracy and human rights.

DURING this administration, the United States has given special attention to promoting democracy in the broader Middle East and North Africa. Indeed, this effort is a key component of our broad strategy toward the region. We believe that strengthening democracy plays a valuable role in winning the war against terrorist groups and the regimes that support, harbor or generate them, wherever they are located. We are also motivated by the increasingly evident and deplorable gap in democracy and development between the Middle East and North Africa and much of the rest of the world. The respected NGO Freedom House identified this "democracy gap" in its 2002 *Freedom in the World* annual survey. Likewise, the Arab scholars who wrote the United Nations Development Program's *Arab Human Development Report* in the same year argued that "there is a substantial lag between Arab countries and other regions in terms of participatory governance" and explicitly linked this lag to lower income, slower growth, weaker education and healthcare, and many other problems plaguing the region. When not channeled into democratic processes, the grievances fuelled by these problems can also contribute to radicalism and violence.

Some have argued that attempting to introduce greater democracy to the Middle East is futile and that Islam and democracy are fundamentally incompati-

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ble. This is demonstrably false. On the contrary, as Freedom House has pointed out, the majority of the world's Muslims live under democratic governments in countries like Bangladesh, India, Indonesia, Nigeria and Turkey and in western Europe and North America. One should not make the mistake of believing that there is anything inherent in Islam, or any other faith or culture, that will prevent the emergence of democracy. Similar assumptions, held widely decades ago, have already collapsed in Latin America and Asia, where democracies are flourishing. Iraq's fledging democracy could begin the same process in the Middle East and North Africa.

And in fact, there have been a variety of encouraging developments in the region. The emir of Bahrain has announced that his nation will conduct parliamentary as well as municipal elections that will permit women candidates to run for office. This is a significant step forward for women's rights, political and economic reform, and broader political participation in Bahrain.

The United States has a moral imperative to advocate that individuals around the world have the freedom to pursue their dreams in a secure, prosperous and peaceful environment.

Notwithstanding Iran's disappointing recent Majlis elections, which regime stalwarts manipulated to ensure their victory, the country's people are pressing for change. The Islamic Republic's young population increasingly seeks freedom from its repressive government and has grown disillusioned with the role of the conservative clerics, who control the police and security forces. Despite setbacks, this movement continues to advance and demonstrates that Iranians will not tolerate the status quo indefinitely.

Algeria's first contested multiparty presidential election this year suggests that the country is successfully emerging from a decade of terrorism and violence. These generally peaceful and transparent elections were an important step toward democracy.

Morocco's King Mohammed VI has taken an unprecedented move in the field of human rights in the Arab Middle East by establishing the region's first Justice and Reconciliation Commission to examine past human rights abuses by the state and compensate victims. The commission is led by a former political prisoner who suffered 17 years' imprisonment in the country. Morocco's king has also recently articulated a "vision for the future" that embraces numerous internal reforms to be implemented during the next five years.

More broadly, democracy has become a more frequent topic of discussion in the region. Yemen recently hosted a major international conference on democracy in the Middle East that brought together delegates from more than 50 countries as well as international and regional organizations. The final declaration stressed that "human rights [and] application of the rule of law" are "compatible with all faiths and cultures" and essential to "any meaningful conception of democracy."

One of the newer U.S. responses to the challenge of developing democracy in the Middle East is the Middle East Partnership Initiative (MEPI), announced by Secretary Powell in December 2002. The aim of the initiative is to build ties among NGOs, private businesses and governments in the Middle East and America and the rest of the world with a view to advancing reform in four specific areas: MEPI's economic, political, education and women's "pillars." The United States has committed more than $200 million to support projects between 2002 and 2004.

Goals in the political pillar include

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strengthening democratic practices and civil society, promoting the rule of law and government accountability, and enhancing the role of free and independent media. One of the projects announced most recently is a training program for parliamentary staff from Morocco, Tunisia, Algeria and Lebanon conducted by the National Conference of State Legislators (NCSL), which will also link participants to the African Network of Parliamentary Personnel established last year with assistance from the NCSL. In 2003, Bahrain hosted the Arab Judicial Forum to stimulate discussion of sound judicial systems and develop plans to address common issues. U.S. Supreme Court Justice Sandra Day O'Connor addressed delegates from over a dozen Middle Eastern countries.

Given the extent to which women's rights have been generally neglected throughout the Middle East and North Africa, activities sponsored by the women's pillar address an area essential to democracy and development in the region. As Morocco's king, Mohammed VI, said in implementing major reforms substantially improving the status of women in his country,

> How can society achieve progress while women, who represent half the nation, see their rights violated and suffer as a result of injustice, violence, and marginalization, notwithstanding the dignity and justice granted to them by our glorious religion?

The women's pillar aims squarely at this problem with projects to reduce and eventually eliminate the legal, regulatory, economic and political barriers to women's full participation in society and government. These have ranged from training in the organization of political campaigns to building a regional women's network and strengthening the capacity of NGOs working on legal issues. Enhancing opportunities for women's economic participation is another key way to facilitate their political engagement. In August of this year, I had the pleasure of joining Secretary Powell as he welcomed the courageous and impressive participants in a business internship program for young Middle Eastern women.

In June the governments of the Group of Eight (G-8) countries committed themselves to a Partnership of Progress and a Common Future with the Region of the Broader Middle East and North Africa. Recognizing that successful and durable change will come only from within, this effort expressed strong support—"a generational commitment"—for reform in partnership with governments, business leaders, and civil society groups in the region. The Partnership is to concentrate on assisting the region in the political, economic and social spheres; G-8 leaders gave special emphasis in the political sphere to guarantees for human rights and fundamental freedoms, as well as state reform and good governance. The G-8 specifically agreed to adopt a Plan of Support and to establish a Forum for the Future as a platform for ongoing dialogue among G-8 partners and countries of the region on reform efforts, including democracy and public participation. The G-8 also committed to a Democracy Assistance Dialogue, the first session of which is to be organized this year by co-sponsors Turkey, Yemen and Italy. This is a mechanism for democracy-promotion organizations in the G-8 and other nations to interact with countries in the broader Middle East region, comparing "what works" and collaborating to increase the effectiveness of their joint efforts.

NO DISCUSSION of democracy in the Middle East and North Africa can be complete without some discussion of democracy's historic advance in Afghanistan and Iraq. While each country continues to face expected and unexpected challenges,

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both have made enormous strides since the United States and our coalition partners liberated their combined population of 50 million individuals from uniquely despicable regimes.

Most dramatic in Afghanistan is the fact that voter registration for the country's national elections has already far exceeded expectations. Over 10 million Afghans—41 percent of whom are women—have demonstrated their enthusiasm for democracy by registering to vote despite sometimes dangerous conditions. During my last trip to Afghanistan, in February, I met a group of Afghan women who had walked miles to register to vote. More recently, elements of the former Taliban regime have singled out female election workers for murderous attacks. The fact that over 4 million women have still registered is a particularly powerful statement.

Iraq's new interim government has shown an impressive commitment to national reconciliation, an essential step toward creating a successful democracy in a country sharply divided along ethnic and religious lines. Interim Prime Minister Ayad Allawi played an important personal role in this process, reaching out to skeptical and even hostile groups to persuade them to take part in Iraq's National Conference in August. For their part, Iraq's people have displayed a similarly impressive excitement about their new freedom. Substantial majorities (75 to 95 percent) of Iraqis in seven cities surveyed said that it is "very important" to vote in the country's forthcoming elections; NGOs have flourished in post-Saddam Iraq.

AFGHANISTAN and Iraq illustrate the broader reality that the global success of democracy and democratic values is far from automatic. In both countries—and everywhere else—building and maintaining democracy requires a very substantial effort on the part of national leaders and close partnership with other nations. As President Bush has said, "The success of freedom is not determined by some dialectic of history. [It] rests upon the choices and courage of free peoples, and upon their willingness to sacrifice." The United States has made its choice. □

> I am neither a believer in a league of all the nations of Islam, nor even in a league of Turkish peoples. Each of us here has the right to hold his ideas, but the government must be stable with a fixed policy, grounded in facts, and with one view and one alone—to safeguard the life and independence of the nation within its frontiers. Neither sentiment nor illusion must influence our policy. Away with dreams and shadows! they have cost us dear in the past.
>
> —Mustafa Kemal Ataturk

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The Authoritarian Illusion

Gerard Alexander

THE BELIEF that non-democratic regimes incubate anti-Western extremism, making their aggrieved populations vulnerable to recruitment by terrorist groups, is the principle assumption behind the democracy project, which argues that it is in America's compelling interest to promote democratic regimes wherever possible. Given its impact on policy, this assumption deserves scrutiny. While it is true that several authoritarian societies have bred anti-Western extremism, many others have not. Sympathy for democracy does not constitute sufficient grounds for a sweeping policy of worldwide democratization.

The United States does not require a fully democratic world in order to achieve security. Indeed, the threats we currently face are generated by causes that transcend regime type. Moreover, an ambitious policy of democratization may have high opportunity costs, because the vast resources that would have to be allocated could not be used for attacking the factors which *are* generating anti-Western extremism.

Favoring democratization is, of course, not a new feature of U.S. international policy. The United States has a lengthy history of close alliances with and support for democracies. But it is well known that the United States also formed durable, peaceful relationships and even partnerships with many authoritarian regimes. This mixture of regime types among America's allies was true both in desperate times and distant regions and in more ordinary times and regions of core interest, including within NATO.

It was also matched by a mix of regime types on the roster of America's perceived adversaries. This is not surprising given that throughout the 20th century, American foreign policy leaders traced major security threats to factors that cut across regime type. Some non-democratic regimes were expansionist, including Nazi Germany, the USSR, North Korea and Saddam's Iraq. But many more were not.[1] It is no coincidence that even the Reagan Administration—seen today by democratizers as an exemplary precursor to their current effort—continued to work closely with many authoritarian regimes against the USSR. Rhetorically, the administration advanced Jeane Kirkpatrick's well-known distinction between widely varying non-democratic regimes. Kirkpatrick explicitly argued that this variation permitted the United States to prioritize since it could afford to view quite a few of these regimes

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[1]See, for example, Mark Peceny, Caroline Beer, and Shannon Sanchez-Terry, "Dictatorial Peace?" *American Political Science Review*, 96/1 (2002), pp. 15–26.

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relatively benignly and only some of them with urgent concern.[2] Consistent with this, Reagan's celebrated 1982 Westminster speech cast the global struggle as one between freedom and un-freedom. This is not only much vaguer than democracy versus authoritarianism; it is different. Consistent with at least half a century of rhetoric, Reagan pitted democracies against *expansionist* totalitarianism, not against all non-democratic regimes uniformly.

Authoritarian Radicalization

WHILE THE 1990s saw an increase in support for democracies around the world, it was after the September 11 terrorist attacks that the democratizing agenda received a massive boost. Senior Bush Administration officials and neoconservative theorists have argued that non-democratic regimes serve as incubators of grievances, which then can be politicized by anti-Western extremists. Charles Krauthammer, even while recommending selective democratization for now, says that ultimately "the spread of democracy is . . . an indispensable means for securing American interests."[3] President Bush declared in a November 2002, speech to the National Endowment for Democracy (NED) that accommodating non-democratic regimes in the Middle East may have created allies in the short term but "did nothing to make us safe" over the longer run, because these regimes were breeding "stagnation, resentment and violence ready for export." Bush's 2004 State of the Union speech was even more specific: "As long as the Middle East remains a place of tyranny and despair and anger, it will continue to produce men and movements that threaten the safety of America and our friends." This might be called the "authoritarian radicalization" thesis. And it is not, as it happens, held only by neoconservatives. Sen. John Kerry (D-MA) has broadly endorsed the notion that the lack of democracy and political reform are among the root causes "breeding this virulent new form of anti-American terrorism."

In the wake of 9/11, many conservatives disdained claims about economic and other "root causes" of terrorism. But the authoritarian radicalization thesis amounts to a theory of the root causes of terrorism in all but name. It draws on older arguments. During the Cold War, it was regularly argued (usually by critics of containment) that U.S. alliances with anticommunist dictators ultimately subverted rather than enhanced U.S. security since these regimes inspired radical backlashes among local populations.

The thesis proposes that authoritarianism is inherently radicalizing and that democracy is inherently moderating, thus generating a policy prescription for global democratization. The 2002 National Security Strategy makes it a national priority to promote "modern government, especially in the Muslim world", in order to undermine the "fertile ground" that exists for "the conditions and ideologies that promote terrorism." Bush has proposed a further doubling of the NED budget, telling the NED that the United States has adopted "a forward strategy of freedom in the Middle East." And he has declared his hope that Iraq will democratize the region through a contagion effect.

But there are compelling reasons not to translate this thesis into a sweeping agenda. These reasons concern the high degree of diversity that exists among non-democratic regimes; the risks that can accompany pushing dictators from office; and the potential opportunity costs of a democratization policy.

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[2]Kirkpatrick, "Dictatorships and Double Standards", *Commentary* (November 1979).

[3]Krauthammer, "Democratic Realism", Irving Kristol Lecture, American Enterprise Institute, February 10, 2004.

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Diversity within the category of "authoritarian" is enormous, with implications for U.S. foreign policy. The intention here is not to find virtue in authoritarianism, only to emphasize that while some non-democratic regimes appear to be incubators of radicalization, most do not, just as most have not warred with America. No clear pattern connects non-democratic regimes to extremist, violent or anti-Western ideologies.

In the 1970s, radical ideologies and movements flourished in non-democratic Nicaragua, El Salvador, Guatemala and Iran. Since the 1980s, this degenerative dynamic was apparent in Algeria, Egypt, Saudi Arabia, Afghanistan, military-ruled Pakistan and the Israeli-occupied Palestinian territories. Some of these regimes tolerated or even subsidized propagandizing and proselytizing with an extremist content that was often disseminated through institutions and activities usually described optimistically as "civil society."

Yet this roster of regimes does not come close to exhausting the list of all non-democratic regimes even in the Muslim world. And while proponents of the authoritarian radicalization thesis point to trends in Saudi Arabia or Pakistan to make their case, they are unable to explain why other indisputably authoritarian regimes in the region such as Morocco, Tunisia, Kuwait and Jordan have been able to contain Al-Qaeda-style movements.[4] Furthermore, nearly two dozen predominantly or substantially Muslim societies in Saharan and sub-Saharan Africa or in southwestern and Central Asia have been authoritarian for decades, yet extremism is notable for its weakness there. Studies warn that radicalization could happen in these regions, but it has not.[5] References to the "poisonous cultural effects of tyranny" notwithstanding, authoritarianism seems to generate political extremism in some Muslim settings but not in others.[6]

A mixed pattern also characterizes Latin America, where several military regimes may have inspired leftist insurgencies in the 1960s and 1970s but other regimes did not. Perhaps most unexpectedly, totalitarian regimes do not seem to generate popular radicalism over the long term. Marxist-Leninist states and, ironically, Ba'athi rule in Iraq, may leave citizens ideologically exhausted and cynical rather than motivated and ripe for recruitment. Overall, the authoritarian radicalization thesis seems especially weak in post-colonial sub-Saharan Africa, one of the most pervasively non-democratic regions, but also one in which extremisms of any kind have found few followers.

Another universe of cases must be considered as well. The authoritarian radicalization thesis, to be taken seriously, also has to be tested against the non-democratic regimes that dominated Europe for centuries. Some of these regimes could be said to have incubated communism, socialism or fascism. But mass politics under other European authoritarian regimes moderated with time rather than becoming radicalized, with Britain as the paradigmatic example. Most of the world's most stable democracies—the very societies which are now said to be threatened by the existence of

[4]Indeed, there is a case to be made that the Middle East's "liberal autocracies" may be better positioned to introduce reforms without running the risk of radicalization. See Ray Takeyh and Nikolas K. Gvosdev, "Democratic Impulses versus Imperial Interests", *Orbis* (Summer 2003).

[5]Experts have been predicting radicalization in these countries—see, for example, Princeton Lyman and J. Stephen Morrison, "The Terrorist Threat in Africa", *Foreign Affairs*, (January/February 2004)—but it has not taken place.

[6]David Frum and Richard Perle, *An End to Evil: How to Win the War on Terror* (New York: Random House, 2003), p. 160.

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authoritarian regimes elsewhere—themselves evolved from historic non-democratic regimes which gave way to societies among the most politically moderate the world has ever known. In other words, authoritarian regimes are capable, over time, of creating liberal institutions that can lay the groundwork for a transition to democracy without significant external intervention.

This also shows that authoritarianism is not a sufficient condition for extremism. It may also not be a necessary one. Al-Qaeda-type beliefs have found support among at least some Muslims in democratic Turkey and western Europe. By that same standard, militant Islamist networks appear to have steadily grown in Pakistan in the 1980s and 1990s under both authoritarian and democratic rule alike. For that matter, Northern Ireland has had democratic rights but for decades has also harbored a subculture of resentment, violence and radicalism that generated a steady stream of terrorists.

None of this is to find virtue in authoritarianism. Non-democratic regimes are often ugly and corrupt, and people are usually better off living under democracy. But authoritarianism as a general category does not breed extremism. It is not even obvious that any specific authoritarian subtype does that. This has a central implication: Democracy is not a necessary condition for U.S. security.

Opportunity Costs

WHY NOT pursue democratization anyway? There are two important reasons for the United States to pursue a highly selective democratization policy rather than an urgent and universalistic one. Jeane Kirkpatrick long ago offered the first of these. Her 1979 essay emphasized not only that non-democracies are highly varied, but also that America was—and remains today—unsure how to fine-tune either regime changes or regime-stabilization. In combination, these points mean that when a dictatorship falls (including when pushed), it can be followed by a regime that is better, the same, or much worse, and we often cannot do much to influence which it will be. In Iraq in 1958, Cuba in 1959, Iran during 1978–79, and Nicaragua during 1979–80, non-democratic regimes were replaced by even worse ones. This is not a reason to abandon democratization. But it is a reason to pursue democratization carefully and selectively.

Finally, high opportunity costs should give us pause. If democracy really could undercut popular support for anti-Western extremism, the United States might well be justified in mounting a resource-, time- and attention-consuming project of worldwide democratization. But as we have seen, Al-Qaeda-style extremism has drawn strong support in some authoritarian-ruled Muslim countries but not in many others. This suggests that something (or things) other than regime type is crucial to fuelling violent anti-Western extremism. In that case, a costly democratization project could easily leave that "something" unaddressed. At the very least, acknowledging that the causes of violent extremism transcend regime type would free us up to ask what they might be.

Soviet-dissident-turned-Israeli-politician, Natan Sharansky offers a parallel. He had long believed that antisemitism in the USSR was caused by totalitarianism. If Russia democratized, he expected it to disappear. But the resilience of antisemitism in post-Soviet Russia—not to mention in western Europe—has forced Sharansky to conclude that the causes of antisemitism lay elsewhere, in places left undiscovered while he was mistakenly focused on regime type.[7]

[7]Sharansky, "On Hating the Jews", *Commentary* (November 2003).

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THIS ANALYSIS has three implications. First, it suggests that democratization should not be raised to the level of urgent, universal principle and should instead be pursued selectively (as, it must be acknowledged, the Bush Administration has done so far). In 1979, Kirpatrick argued that pressures to democratize were characterized by too much of a double standard, since more was being done to undermine authoritarian regimes friendly to the United States than more brutal and hostile totalitarian regimes. The risk today is rather of a single standard, treating all non-democratic regimes as sources of security threats, when in fact non-democratic regimes are as varied as ever. What is needed now is a sharp distinction between non-democratic regimes that are incubators of radicalism and ones that are not.

Second, it means that alongside highly selective democratization, we need to investigate what causes we really do think are generating extremist ideologies. It is critical to remember that Islamic extremism, for example, has found fertile soil within most of Europe's advanced industrial democracies. This debate is today only in its infancy, but it is no less urgent than fighting already-crystallized terrorist groups. Rather than focusing solely on regime type, it might concern Wahhabi proselytizing; or dangerously reduced levels of American public diplomacy; or the peculiar dynamics of authoritarianism or democratization in certain countries that either advances or retards radicalization. We will not come to firmer conclusions until we make this a central focus of our thinking.

Ironically, all this is actually good news for U.S. policy in Iraq. Even if U.S. intervention does not create a stable democracy there, U.S. security may well be substantially enhanced even if Iraq develops a relatively benign though authoritarian regime. Such a regime could easily maintain durably peaceful relations with the United States, would not support terrorism, and might well not incubate extremism. And Iraq was an inspired candidate for selective democratization, since it would be very difficult to result in a worse regime. Saddam was not a run-of-the-mill dictator but one of the pre-eminent genocidal rulers of the second half of the 20th century, who posed a real threat to the well-being of his neighbors and the entire international system. In at least some cases, giving a tyrant a push is undeniably a good thing. □

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The "Amazing and Mysterious" Life of Ronald Reagan

Josef Joffe

IN 1987, Ronald Reagan uttered the immortal phrase: "Mr. Gorbachev, tear down this Wall!" Two years later, the Berlin Wall, the symbol and brace of the Soviet empire, fell under its own weight, while the real thing collapsed without a sigh on Christmas Day 1991 when the Soviet Union committed suicide by self-dissolution. No empire has ever exited from history without major war—recall the violent demise of the Wilhelmine, Habsburg, Romanov and Ottoman empires in World War I. So whatever else Clio—the Greek goddess of history—may yet report about him, she will always praise Ronald Wilson Reagan for this absolute first in the annals of statecraft: an empire that died in bed. They thought him demented when he challenged Gorbachev to tear down the Wall. Yet down it came, and as I retrace the historic voyage of America's 40th president, I would like to note that I helped to pry a chunk or two out of the Wall.

Many forces contributed to the fall of the "Evil Empire", but foremost among them was the deployment of those 464 cruise and 108 Pershing II missiles slated to offset triple-warhead Soviet SS-20s and Backfire bombers that could reach all of Western Europe (but not the American homeland). Needless to say, it was not the "theo-logic" of deterrence that drove the counter-deployment. The drama was not really about "circular-errors probable" or "hard-target kill capabilities." The name of the game was as old as Thucydides' disquisitions on Peloponnesian power politics. It was a pure test of will and strength, and on its outcome hung, as it turned out, history. Yet what a slender thread it was.

Shift to the summer of 1982. One key European leader, German chancellor Helmut Schmidt, would fall three months later—in large part because his Social Democrats were abandoning him over the missile deployment. Western Europe and West Germany, which was to take the bulk of the Intermediate-Range Nuclear Forces (INF), appeared to be in a prerevolutionary mood. Millions were marching against NATO and America; pacifism and neutralism were given a new name: "Hollanditis." The Soviets were playing missile *angst* to the hilt, predicting that Western Europe would crack under the pressure.

First to crack, though, was Paul Nitze, chief INF negotiator. More despondent about Europe's resolve than most, he had taken his Soviet counterpart, Yuli Kvitsinski, on a walk into the woods near Geneva on July 16, 1982, where he offered a compromise: 75 triple-warhead SS-20s for the Soviets, 75 cruise missile launchers for the United States, but none of those swift Pershing IIs with their super-accurate nuclear warheads that could reach Moscow in minutes. After Helmut Schmidt's ouster in October, and with the Soviets salivating over an easy victory to come, Nitze grew ever more agitated about West Germany, the keystone in America's entire deployment architecture. Whenever he returned from Geneva, he would warn his colleagues at the State Department in ever more dire terms that without compromise the Germans would bolt.

I RECALL a lunch that I had in Washington with Assistant Secretary of State Richard Burt in the summer of 1983

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that surely turned around history (at least a bit). Burt was worried about Nitze, who kept pressing for a "walk in the woods"-type deal, arguing that if the Germans defected, so would everybody else. But to follow Nitze into the woods would undo the deployment as well. By unbundling its "double-zero" decision of 1979 (either no missiles, or 572 for the West), NATO would step onto a slippery slope. Once the Pershings that the Soviets pretended to fear were out of the equation, the Kremlin would pocket the prize and then play for time, confident that Western governments would not have the stomach to battle their peace movements *sine die*.

I took the opposite line, arguing that the Hollanditis hypothesis was wrong: Though the protesters dominated the television screens, they remained a minority. Moreover, the majority did not care enough about INF to reverse their governments, let alone topple them. Though nobody wanted the missiles in his back yard, other worries like unemployment, inflation or the threat to social security consistently and cross-nationally dwarfed INF. National elections would be decided on domestic grounds.[1] Hence, Helmut Kohl would win the November 1983 vote. He did, and on the very next day, the first missile components arrived in West Germany. Thus, a single lunch had stiffened the resolve of the State Department, and the rest is history. All 572 missiles were deployed on Ronald Reagan's watch, and so the greatest Soviet power play in Europe was thwarted in an expense-account eatery on K Street.

Well, not quite. Messrs. Burt, Nitze and certainly Joffe were but bit players in the historic drama of empire's end. Enter Ronald Reagan, a president who, whatever else he was and did, was an extraordinary exemplar of "Only in America." He was an *ingénue* even by American standards, but as tough and hard-bitten as any Soviet general-secretary (post-Stalin, that is). He hated communism, but embraced Mikhail Gorbachev. He presided over the greatest peace-time military buildup in American history, but loathed nuclear weapons, confiding in *An American Life* that his "dream became a world free of nuclear weapons." He elevated supply-side economics from Arthur Laffer's back-of-the-envelope doodles to the reigning dogma of the White House and radically cut taxes—only to pragmatically raise them again in 1982 and 1983 when a "decent respect" for the opinions of Congress so demanded.

Ronald Reagan was John Wayne and Alan Alda rolled into one, a character they don't make in Europe, perhaps no longer even in America (who is John Wayne today?). Europeans showed nothing but contempt for him. They ridiculed him as a "cowboy" and matinee idol of B-movie fame, blithely or willfully ignoring that he had cut his teeth in politics as boss of the powerful Screen Actors' Guild and sharpened them as a two-term governor of California. Though not given to hard work, especially not past 5 PM, it was Reagan who pulled America out of its Carterite malaise and moroseness—who not only proclaimed a new "morning in America", but made it happen with his lopsided grin and infectious optimism. Can anybody imagine Messrs. Chirac and Schröder delivering "It's morning again in France/Germany" speeches that would drag *their* countries from despondency and *morosité*?

THE EUROMISSILES played a staring role in the final act of the Cold War. Militarily, they were but pawns in a nuclear world defined by 10,000 strategic warheads on either side. But on the Cold War's central chessboard, they looked like kings and queens that would complete the irresistible thrust of Soviet power lanched in the 1970s. One Soviet surrogate, North Vietnam, had beaten the United States in Southeast Asia. Another, Cuba, had anchored Soviet-bloc power in the darkest heart of Africa, in Angola. America had just lost Iran to the Islamists led by Ayatollah Khomeini, and with it, one of Washington's key allies in the Middle East. Finally, as Carter's America

[1] See Joffe, "Peace and Populism: Why the European Anti-Nuclear Movement Failed", *International Security* (Spring 1987).

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was being humiliated by Iranian hostage-takers and held up to ridicule by botched rescue gambits, the Soviets were forging into Afghanistan—as Alexander the Great had done on his imperial march to India. To complete the degradation of America, only two key allies—Turkey and West Germany—heeded Washington's call to boycott the Moscow Olympics of 1980. And the economy was wallowing in stagflation.

What would have happened had Western Europe finally buckled, had it refused to station INF? Moscow's boldest dream would have come true: to separate Western Europe from its transatlantic protector, to create zones of inferior security and, thus, to end up dominating the entire continent. Détente and *Ostpolitik* had already driven a sizeable wedge into the Atlantic Alliance, pushing Western Europe, and especially West Germany, closer toward the Soviet orbit. Now imagine that hundreds of Soviet SS-20s and Backfires had remained unmatched and unbalanced. Posing a separate threat, they would have consecrated Soviet strategic superiority on the Old Continent while silently reminding the West Europeans to remain on their best behavior. NATO would have collapsed *de facto* right then and there, and not twenty years later, when Berlin and Paris joined with Moscow in 2003 to try to derail the American war against Saddam Hussein.

Unlike Paul Nitze and the arms controllers in the State Department, Reagan focused not on the scholastics of deterrence or the frailties of European will, but on the chunkier issues of power—how it is kept, expanded or lost. According to Reagan's biographer Edmund Morris:

> Nothing . . . deflected him from what he was convinced was his double mission: at home, to restore the American entrepreneurial spirit after fifty years of federal paternalism, abroad to display such a resolute contempt for Marxism-Leninism that it would follow Nazism onto the 'ash-heap of history.' Both conceits were perceived as laughably naive in 1981, at least in those Chardonnay-fragrant areas of Manhattan and Marin County where political issues are always described as 'complex.' [After eight years], the "evil empire" began to self-destruct, just as he had said it would.[2]

Can causality—and historical greatness—be so casually assigned? Reagan's detractors and especially Europe's Ostpolitikers have sullenly pooh-poohed Reagan's role, locating history's mighty hand in their own pliancy toward Moscow (AKA "détente") and the farsighted generosity of Gorbachev. Of course, we can never allot precise weight to history's many agents. But we can sift among contending explanations by way of elimination.

DID DÉTENTE turn around history? This fitful policy of arms control and accommodation cannot bear the causal weight attributed to it by Reagan's gainsayers. Détente and thaws have been around since the 1955 great-power summit in Geneva. But the "Spirit of Geneva" was blown away one year later by the suppression of Poland and completely forgotten by the time Nikita Khrushchev issued his Berlin Ultimatums (1958) or banged the rostrum at the UN General Assembly (1960). The Cuban missile crisis of 1962 produced an earnest attempt to tame the nuclear menace, but only a scant three years later, rapprochement was overwhelmed by escalation in Vietnam. There was more détente in 1967, when President Johnson met with Alexei Kosygin in Glassboro, New York; yet the much-touted "Spirit of Glassboro" was brutally dispelled by the Soviet invasion of Czechoslovakia in 1968.

Another stint of great-power détente accompanied German *Ostpolitik* from 1969 to 1972, complete with SALT agreements and Nixon-Brezhnev embraces. That phase came to an end in 1973 when Moscow threatened nuclear strikes during the Yom Kippur War while dispatching its Cuban pawns to Africa. Nor did the much-celebrated Carter-Brezhnev summit in Vienna in 1979, where

[2]Morris, "The Unknowable: Ronald Reagan's Amazing, Mysterious Life", *The New Yorker*, June 28, 2004, p. 51.

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another strategic arms agreement was signed, keep the Soviets from invading Afghanistan a few months later. This record hardly vindicates the détentists. Détente was the foreign policy equivalent of Carly Simon's "killing me softly" song. It would de-fang and then subvert Soviet power by propitiating it. Alas, this lovely theory cannot explain Moscow's capitulation in the Cold War when there was much détente and so little surrender during the three decades prior to Ronald Reagan.

SO ON WHOM or what do we bestow the title of the "evil empire's" killer? Was it Mikhail Gorbachev himself who pulled down what Lenin and Stalin had built up? It is tempting to finger Gorbachev, but this would ascribe too much wisdom and foresight to a man who wanted merely to reform, but not to relinquish, the empire. At no point, however, did Gorbachev want to yield Moscow's pride of place as the number two superpower. And he was blissfully confident that the risks were tolerable: "There is no reason to fear the collapse or the end of socialism", Gorbachev assured Romanian leader Nicolae Ceausescu three weeks after the Berlin Wall had been breached and three weeks before the Romanian dictator was executed by his own people.

Leaders who know what they are doing or who have wittingly decided to give away the imperial store do not talk this way in their memoirs or anywhere else, unless they are either benignly naive or blind to the fearsome dynamics they themselves have unleashed. Perhaps it was this naivety that joined Gorbachev and Reagan at the hip in the final years of the Cold War: their childlike faith in a world without nuclear weapons and their blessed belief in the transcendentality of history. But it will not do to invoke a surfeit of innocence (or ignorance), at least not by equal measures. Naive or not, Reagan was made from far sterner stuff than was his Soviet counterpart. His genial grin and wise-cracking demeanor concealed a spine of steel when push came to shove.

Ronald Reagan, after all, had fired 11,000 traffic controllers, even though their union was one of the few that had supported him in 1980. He fired them because he said he would if they walked off their jobs. Concerning Gorbachev, Reagan said, soon after their first summit in Geneva in 1985, that he "grew to like him more" as the meeting went on because he "could tell jokes about himself and even about his country." Yet at their next meeting in Reykjavik in 1986, where Gorbachev would not budge on the "Star Wars" question, Reagan was decisive and unforgiving. He recalls in *An American Life* how he stood up from the table to proclaim that the meeting was over. Then he turned to his Secretary of State: "Let's go, George. We're leaving." Like any good diplomat, Shultz was crushed by so much roughness, but Reagan was completely unfazed. Later on, he explained: "I went to Reykjavik determined that everything was negotiable except two things, our freedom and our future."

The American economy was also made from sterner stuff than Gorbachev's collapsing command economy. After the *faux* prosperity of the 1970s, fueled by skyrocketing oil prices and infusions of Western loans, the Soviet economy went into a terminal tail spin while its U.S. counterpart turned on its afterburners: super-Keynesian deficit spending and accelerated micro-economic reform, a seemingly bizarre, yet triumphant combination that riled the conventionalists in both camps. The supply-siders were upset by the heavy government spending, the Left by the government's retraction from the economy through deregulation. Miraculously, growth returned after the stagnation of the 1970s while inflation did not.

How could the Soviet Union keep up, now that its European missile gambit had failed while Reagan's "Star Wars" strategy threatened to devalue its last superpower badge: a bloated arsenal of intercontinental nuclear weapons? Note that there is no straight causal line between SDI and the Soviet Union's self-dissolution. Reagan did not go for Edward Teller's illusionary claims about "Star Wars" because he wanted to use SDI as the final nail in the Soviet coffin. For Reagan, SDI spelled out

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the promise of transcendence, if not salvation. A nuclear abolitionist at heart, he believed truly that the missile shield would render nuclear weapons "impotent and obsolete." The idea was not to dispatch the Soviet Union, but to liberate both superpowers from a death-dealing curse. Nor is there any conclusive evidence in the Politburo record, as available today, that would confirm the SDI-as-empire-killer theory so beloved by Reagan boosters.

Gorbachev and the Politburo did not suddenly decide to fold and quit because they thought Reagan held an unbeatable hand full of laser cannons and "brilliant pebbles." Even those mesmerized by American prowess could hear what their scientists told them: SDI in the 1980s was a Rube Goldberg contraption cluttering up the labs in Los Alamos and Livermore. Even if SDI worked, it could be overwhelmed with relatively cheap and unsophisticated countermeasures. And so it remains, twenty years and many billions of taxpayers' dollars later.

TO LABOR these obvious points is not to belittle Reagan's history-transforming role. It is rather to make a plea for a more complex rendering of events. First, there is always an element of serendipity—a favorable constellation of forces, events and personalities. While Reagan's America was on a roll, propelled by rapid economic growth and ballooning self-confidence, Gorbachev's Soviet Union was grinding to a halt. When he came to power, defense expenditures were claiming up to 20 percent of GDP and rising. As the economy stagnated, Siberian oil production began to decline in 1983, and world oil prices, having risen twelvefold in the 1970s, began to plunge in the mid-1980s.

It must have become clear even to the Politburo's most doctrinaire blockheads that the Soviet Union could no longer service its key national interests: provide a decent standard of living to its population, keep up with Reagan's armament juggernaut, and subsidize an ever more demanding bunch of indigent clients from Czechoslovakia to Cuba. This was his serendipitous moment, but there was more to his *fortuna* than a favorable constellation of the stars.

Fortuna, as Machiavelli reminded us, is not just good luck, but strength, foresight and will. Though the Soviet system was doomed to die, Reagan brought the reckoning closer by doing exactly what George Kennan had prescribed was necessary in his famous *Foreign Affairs* article forty years earlier. Later, Kennan would abandon his previous convictions by preaching an accommodationist line, yet his original containment doctrine was Reaganite to a fault:

> [The] United States has it in its power to increase enormously the strains under which Soviet power must operate, to force upon the Kremlin a far greater degree of moderation and circumspection . . . and in this way to promote tendencies, which must eventually find their outlet in either the break-up or the gradual mellowing of Soviet power.

Precisely. Euromissiles, massive aid to the Afghan rebels, the Strategic Defense Initiative, the arms build-up, the INF deployment, the demonstrated willingness to use force (Libya), support for Poland's Solidarity moment and Soviet dissidents—these all added up to what Kennan termed an "unalterable counter-force at every point" while Reagan's even-keeled leadership minimized "indecision, disunity and internal disintegration within this country" (notwithstanding the less grandiose moments of Reagan's watch, like the withdrawal from Lebanon after the massacre of 241 Marines in 1983 and the unforgivably reckless Iran-Contra affair).

But there was more than pure power politics in the ways of the early Kennan. Call it the metaphysics of politics: the moral message that transcends mere interest and advantage and resonates in men's souls at the right time and in the right place.

Few modern American presidents had that gift; in the 20th century, only the two Roosevelts and Kennedy come to mind. Ronald Reagan, though dismissed by Europeans as a second-rate actor and fondler of cue cards, possessed that magic faculty that separates run-of-the mill politicos from history-molding leaders. "I didn't understand",

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recalls *Time*'s Joe Klein, "how truly monumental, and morally important, Reagan's anti-communism was until I visited the Soviet Union in 1987." He continues with a seemingly trivial vignette. Attending the Bolshoi Ballet, he was nudged by his minder: "'Ronald Reagan. Evil empire', he whispered with dramatic intensity and shot a glance toward his lap where he had hidden two enthusiastic thumbs up. 'Yes!'"

When an American president manages to pluck the soul strings of those who have been raised to fear and despise what he represents, he surely deserves the honorific 'great.'

LET US NOT in the end ignore a final factor that has flummoxed believers and belittlers alike. Both camps have portrayed Reagan as a simple, one-dimensional soul—as heroic slayer of Bolshevik dragons or as mean-spirited Cold Warrior. Had he been just one or the other, he would not have entered history as a great president. Truly simpleminded men do not change; they remain slaves to their prejudices. Yet Ronald Reagan did change, even though he loved to glory in his *sancta simplicitas* by proclaiming: "There are simple answers to many of our problems—simple but hard."

Assume Reagan had remained Reagan in his second term. Assume that he had stuck to his iron-fisted anti-communism, that he had cornered and humiliated Gorbachev at every twist and turn. Imagine that he had not offered wholesale cuts in strategic and intermediate-range weapons, overtures that, in 1987, culminated in a complete ban on SS-20s, cruise missiles and Pershings. Posit, finally, a relentlessly fire-breathing Ronald Reagan instead of the genial summiteer who would flatter and embrace Gorbachev, allowing him to bask at home in the warm glow of recognition abroad. Would the general-secretary have released Andrei Sakharov in 1986? Would he have proclaimed glasnost in 1987 or withdrawn from Afghanistan in 1987? Or would Gorbachev have come out fighting like a wounded animal?

The point here is not to preach the wondrous effects of détente *über alles*, but to stress Reagan's uncanny sense for timing. Had he not raised taxes in 1982 and 1983, turning against his own revolution? And thus with the Soviet Union. He had made his point with a full-court press, and now was the time to temper strength with generosity. Yes, he did practice détente, but on his own terms and at his own time, not for its own sake. To know when to stop and to exchange the mailed fist for a helping hand is surely an element of what the Greeks called *phronesis*, prudence or political wisdom. Is this what "cowboys" do, as the derogatory epithet has it? Come to think of it, this is precisely the code of the West: Fight for what is right, don't shoot the unarmed, assist the weak, don't gloat over the fallen, offer magnanimity in victory.

Reagan had been out of office for ten months when the Berlin Wall fell. Two years later, the Soviet Empire died a peaceful death during the watch of his former vice-president, George H. W. Bush. Still, the honor for this singular achievement must go to Ronald Reagan. How did he pull it off? His biographer Edmund Morris recalls a conversation with Mikhail Gorbachev, in which the latter spoke about Reagan's "balance." He used the Russian word *ravnovesie* "in its wider sense, of psychological equilibrium." Morris muses that Reagan "telegraphed a larger force that came of a lifetime of no self-doubt." Perhaps the key to Reagan's "amazing and mysterious life" is as simple and complicated as this most fitting of epitaphs. □

> The very essence of our belief is that we do not and will not try to impose our system on anybody else. We believe that you and all other peoples on this earth should have the right to choose the kind of economic or political system which best fits your particular problems without any foreign intervention.
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> —Richard Nixon, address to the Soviet people, July 1959

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Exporting Europe's Protectionism

Lawrence A. Kogan

THE BASIC rules of international trade are simple. The United States and the European Union, the two major trading blocs, have each sought to curb serious health and environmental risks before they cause substantial harm. Both have promoted industrial policies to enhance the competitiveness of their industries and the global economy along with them. The institutional framework of the GATT and the WTO that evolved alongside the United Nations Charter has kept these competing aims in reasonable balance. It has also reflected the main global priorities of later eras: preserving peace and stability through international commerce and the rule of law.

Liberalizing international trade has thus remained one of the primary tenets of international relations. Trade restrictions have not generally been tolerated unless clearly legitimate objectives—such as human, animal and plant health, environmental protection, or national security—were seriously threatened and no alternative means of protecting them were available. Where countries have needed to enact apparently arbitrary regulations to preserve national interests—that is, in the absence of relevant international standards or substantially equivalent national standards—they have been required to justify their imposition: A legislating WTO party must prove through an empirical science-based risk assessment that the health or environmental hazard identified is "real" and poses significant harm to society.[1]

One WTO provision, Article 5.7 of the SPS Agreement, however, entitles member states to employ precautionary measures to protect human, animal or plant health even when they do not possess sufficient scientific evidence of a product's safety or harmfulness.[2] Quite stringent tests must be satisfied before this provisional safeguard can be invoked.[3] For instance, there must be insufficient relevant scientific evidence concerning the particular health or safety risk that a proposed measure is intended to address, and that measure must be adopted on the basis of available pertinent information. In addition, the government must demonstrate that it has sought

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[1] Articles 3, 4.1, 5.1–5.3 of the Sanitary and Phytosanitary (SPS) Agreement to the WTO; Articles 2.4 and 2.7 of the Technical Barriers to Trade Agreement to the WTO.

[2] Article 5.7 of the SPS Agreement to the WTO.

[3] WTO Appellate Body Report, "Measures Concerning Meat and Meat Products (Hormones)", February 13, 1998, WT/DS26/AB/R; WT/DS48/AB/R.

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actively to obtain the additional information necessary to conduct a more objective risk assessment, and also that it has made the measure subject to review within a reasonable period of time.[4] Embedded within this balanced framework is a pragmatic acknowledgement among WTO members that a certain amount of risk is unavoidable in everyday life and that international trade and global stability are good things in themselves.

DURING THE past decade, however, the European Union, with assistance from "international civil society" (a euphemism for non-governmental pressure groups), has sought to alter this equilibrium by enacting regional regulations and promoting process-based industry standards that both depart from this practice and have an extraterritorial impact. These proposals reflect what the EU sees as a more pressing global priority than freer trade—namely, achieving sustainable development.

Sustainable development, as the EU sees it, is rooted in the belief that industrialization, globalization and technological advancement pose potentially terrible but unknown threats to human health and the earth's ecosystem. National governments should accordingly engage in proactive environmental risk management to extinguish such threats. Central to this notion of stewardship is acceptance of the precautionary principle, described by environmentalists as "a radical new approach to science and technology" that presages a "great shift from [the current] risk-taking age to a [new] risk-prevention era."[5]

To this end, the precautionary principle imposes on policymakers and on industry a moral and legal "duty of care", intended "to anticipate problems before they arise or before scientific proof of harm is established", without regard to the social and economic costs such precaution would engender.[6] It therefore shifts the regulatory burden of proof, consisting of both the burden of producing evidence and the burden of persuasion, from the government (concerned about the possible occurrence of a serious harm) to the manufacturer or operator (whose activity may give rise to this harm). Indeed, its enforcement subjects industry to a standard of proof that requires them to "demonstrate safety adequately or sufficiently", comparable to the "beyond a reasonable doubt" standard in U.S. criminal law. It assumes, in effect, that whoever tampers with the environment is guilty until proven innocent.[7]

It therefore neither requires nor even allows the use of economic cost-benefit analysis—the equity-balancing test generally used in the United States to "maximize net benefits, including potential economic, environmental, public health and safety and other advantages."[8] That is because—according to the Commission's legal adviser—"cost benefit analysis and other influences can lead to undue delays in

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[4]Joost Pauwelyn, "The WTO Agreement on Sanitary and Phytosanitary (SPS) Measures as Applied in the First Three SPS Disputes", *Journal of International Economic Law* (1999), citing the Appellate Body Report on *Measures Affecting Agricultural Products* (the "Japan Varietals case"), adopted March 19, 1999, WT/DS76AB/R.

[5]Jeremy Rifkin, "A Precautionary Tale", *Guardian Unlimited*, May 12, 2004.

[6]Andrew Jordan and Timothy Riordan, "The Precautionary Principle in Contemporary Environmental Policy and Politics", Wingspread Conference paper, January 23–25, 1998.

[7]Carl F. Cranor, "Some Legal Implications of the Precautionary Principle: Improving Information-Generation and Legal Protections", *European Journal of Oncology*, v. 2, p. 37.

[8]"Informing Regulatory Decisions: 2003 Report to Congress on the Costs and Benefits of Federal Regulation and Unfunded Mandates on State, Local, and Tribal Entities", Office

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precautionary action and further losses."[9]

Institutionalizing the precautionary principle would be a major transformation of the current international trade rules. It would replace the prevailing U.S. and GATT/WTO paradigm, which focuses on empirical science (the "knowables") in analyzing and managing risks. It would impose instead a new model of risk evaluation that dismisses the need to identify ascertainable and measurable risks or the need to establish specific causal links between suspect products or processes and the harm they may cause.

Brussels has, in short, proposed a new model to evaluate potentially serious but unknown risks that would essentially transform the area of risk regulation into a contentious political and legal minefield. And to make matters worse, it redefines both risk and risk regulation in terms not of science but of cultural values.[10]

Perception and Averting Risk

ONE OF THE primary "breakthroughs" achieved by the precautionary principle, according to its advocates, is a better understanding of the relationship between the scientific uncertainties of risk and individual and collective perceptions of it. This relationship is explained in a recent April 2003 report adopted by the EU Commission's Scientific Steering Committee, which identifies a number of economic activities that the European public perceives as being too risky. They include:

> exposure to health hazards by chemical factors, safety of food and drinking water, natural and manmade poisons, infectious diseases, and new technologies, especially bio-technology. They include also the welfare of companion animals, wildlife and animals in general, as well as the environment as a whole.[11]

The report calls upon the commission to enlarge the scope of the scientific risk assessment that must be performed to justify national regulations that depart from WTO rules. The risk assessment envisioned would go beyond the traditional use of "hard" analytical science (for example, statistical analyses of likelihood and severity of harm, actual exposure data, and the likely impact on affected exposure groups) to the use of "soft" social science principles to assess subjective notions of "quality of life" (based on the public's perceptions, fears and impressions of uncertain and hypothetical future risks). The report finds that such notions are often directly responsible for the tensions and psychosomatic ailments that reduce human "well-being" (as defined by the World Health Organization) and thereby the quality of life. It also finds that these fears are largely rooted in cultural and ethical values, "which can be different regionally and individually and even change in time." It then leaps from these considerations to the following conclusion: "[S]ince the final issue of any risk assessment is the impact on people's life as experienced by the people", such percep-

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of Management and Budget, Office of Information and Regulatory Affairs, Part I, *Report to Congress on the Costs and Benefits of Federal Regulations*, "U.S. Approaches to Management of Emerging Risks", pp. 51–2, 58.

[9]Theofanis Christoforou, "The Precautionary Principle in European Community Law and Science", in Joel A. Tickner, ed., *Precaution: Environmental Science and Preventive Public Policy* (Washington, DC: Island Press), p. 249.

[10]See Lawrence A. Kogan, "The Precautionary Principle and WTO Law", *Seton Hall Journal of Diplomacy and International Relations* (Winter/Spring 2004).

[11]"Final Report on Setting the Scientific Frame for the Inclusion of New Quality of Life Concerns in the Risk Assessment Process", adopted April 10–11, 2003, European Commission, Health & Consumer Protection Directorate-General.

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tions must be incorporated into risk assessment.

To buttress this conclusion, the report emphasizes the public anxieties associated with the application of modern technologies to everyday products and processes about which very little is generally known. It postulates that these anxieties stem not from a general and unavoidable fear of the unknown, but partly from the failures of the EU's risk communication and technology education, and partly from the "unnatural character of new technologies." These failings have allegedly had a profound impact on Europeans' perception of self-autonomy and have thus resulted in the public experiencing higher levels of stress and feelings of helplessness.

These higher levels of stress might, of course, be traceable in part to the false and exaggerated claims of technological harm put out time and again by environmentalist organizations and "green" publications. The report does not consider this possibility. What it concludes is that public risk perception and risk communication have a direct bearing on "quality of life" considerations and human "well-being", *whether or not the risks are real.* And since these fears have reduced public confidence in the ability of EU regulators to protect them from harm, there must be more, and more stringent, regulation. The report further recommends that "aspects of the quality of life beyond traditional risk assessment and risk management are to be included in the [risk evaluation] process via the precautionary principle."

These recommendations do not emerge from a philosophical or political vacuum. It is generally agreed that the precautionary principle is essentially a European ethos that advocates a better-safe-than-sorry approach to modern-day living. Rachel Thompson of APCO, a public relations firm, has noted that Europe's resort to the precautionary principle reflects a deeper aversion to risk that is likely attributable to "sharp demographic differences" with the United States. "European electorates are aging much faster than America's, making Europeans more risk averse."[12]

Yet Europeans must realize that there are tradeoffs. The precautionary principle will slow down European economic growth, reduce European innovation and lessen the opportunities for future generations of their citizens (contrary to the vision underlying the Lisbon Strategy of neoliberal economic reform). Europeans could come to terms with their individual fears in practical ways that do not impose Luddite restrictions on scientific advances and economic growth—restrictions that would have prohibited the development of penicillin if they had been in force at the time. They could collectively challenge lawmakers to develop a more pragmatic and balanced approach to risk management. Instead, they have allowed the regulatory bureaucracy to proceed with precaution-based regulation—and the results are now beginning to be felt.

Risk Aversion in Action

FROM October 1998 to May 2004, the EU Commission imposed a moratorium on new approvals of genetically engineered products. This halted approximately $300 million in U.S. corn shipments per year. When the moratorium was eventually lifted, it was made conditional upon Brussels' enactment of costly and burdensome (farm-to-table) traceability and consumer-right-to-know labeling regulations. Many countries, including the United States and Canada, believe these will impair international trade in genetically modified products well into the future. Similar regulations have since been drafted in Korea, Japan and China—not coincidentally three

[12]Thompson, "Transatlantic Business in an Era of Crisis and Change", www.apcouk.com.

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large U.S. agricultural export markets. But these traceability rules have been enacted *in anticipation of food safety problems that have not yet occurred and that may never occur*. The labeling measures also require product information that is in no way health related. Considering that less trade-restrictive alternatives could have been chosen, these measures were plainly selected because the EU prefers precaution and is not averse to a little trade protectionism on the side.

The mindset behind Brussels's cultural aversion to technology risks (such as those presented by biotechnology) was revealed in a workshop organized by the German Marshall Fund's U.S.-European Biotechnology Initiative. The summary of this workshop is revealing:

> One NGO representative was quoted as saying . . . "Why can't the Americans understand that this is not specifically about health and safety and labels and traceability; it's a rebellion against industrial agriculture. We need to be talking about the emergence of new ways of farming which take social and environmental concerns into account, not just GMOs."[13]

Another effect of this mindset is the region-wide REACH (Registration, Evaluation and Authorization of Chemicals). In 2001 the EU Commission proposed REACH as a vehicle to hold companies accountable for the thousands of high-volume chemicals that are produced, formulated and incorporated into manufactured products traded within the EU. REACH is a complex, three-level system for regulation. It requires companies to register virtually all chemicals based on the volume produced or imported; to evaluate those "substances which give rise to particular concern"; and to seek positive authorization for those deemed "substances of high concern." Only in this third case does the proposed REACH system take the potential for exposure into consideration. And that, as a leading chemical industry trade group reasonably complains, "does not occur until after registration and up-front toxicity and environmental testing." Until then, REACH simply presumes that such chemicals are potentially harmful to human health and the environment—though the commission has not performed a science-based risk assessment on any specific substance or product and thus lacks empirical evidence to substantiate its presumption. A risk-based approach would take into account exposure data as early as possible and would use that information primarily to determine the extent of risk and how best to manage it. It would not make industry jump through needless hoops.[14]

Recalling Andrew Marvell, had we but world enough and time, this extensive, overlapping and complex set of regulations (unrelated to actual everyday risks) might cause no harm. In the real world, it will delay for long periods—perhaps indefinitely—the myriad benefits that new chemical products can bring to consumers.

The EU aspires to an unachievable aim: eliminating all risks, based on vague possibilities, to human health and the environment posed by chemical-using industries. Helped by non-governmental pressure groups, it achieves this end by exploiting consumer fears—often irrational—about chemicals without supporting its position with scientific evidence. According to two European environmental law experts:

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[13]Peter Pringle, "The U.S.-European Biotechnology Initiative", workshop 3, "Segregation, Traceability and Labeling of GM Crops—An Interpretative Summary of a Transatlantic Conversation About Biotechnology and Agriculture", German Marshall Fund of the United States, April 29, 2002, pp. 3–8.

[14]Synthetic Organic Chemical Manufacturer's Association, comments on "The European Commission's Consultation Document Concerning REACH", July 2003, pp. 9, 11.

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> The scope and intrusiveness of the draft REACH regime suggest a move to exploit the public's unfounded fears. But in the name of health and environmental protection, REACH proponents may be after something bigger. Although the proposed system would differ from past examples of centralized state planning economies, it may produce some of the same results, given the broad discretion granted to government agencies, who will have the power to decide for all of us which chemicals (and thus which products) we should want and which chemicals we should avoid.[15]

Cultural Preferences as Protectionism

IF SUCH a regulatory regime is to avoid rendering EU producers uncompetitive internationally, however, it needs to be both defensible and exportable. That in turn requires that such regulations be defended as "cultural values" and distinguished from garden-variety trade protectionism. In a speech to a Greens/European Free Alliance conference at the European Parliament on March 5, EU Commissioner Pascal Lamy sought to do just that.

> [O]ur dispute with the United States over its extra tariffs on steel . . . [which] were clearly designed to protect an uncompetitive industry . . . [should be contrasted with] . . . [o]ur refusal to import genetically-modified maize or soya that we have not authorised. . . . [The latter] . . . is not protecting a European industry (we do import soya and maize that are not genetically modified) but reflects our society's highly precautionary preference in this area.

In support of this distinction, the EU has requested that WTO members consider a new market-access model premised not on free trade, but rather on balanced concessions. Such a framework would ensure that in the end, the "cultural values", which is to say social choices, of all member countries would be appropriately taken into account. Lamy reasoned that since a country's social choices are expressed in public policy decisions (for example, risk evaluation) and embedded via industry standards in the goods and services that are commercially traded among a country's inhabitants, they are a reflection of the country's unique identity. Consequently, governments and industries of exporting countries should respect an importing country's cultural uniqueness by either tolerating it as a matter of diplomacy or adopting a similar market-access framework particular to their own identity. Unless WTO member governments focus on the ideological rather than on the economic dimensions of trade, Lamy argues, then public confidence in regulators and in the WTO system is likely to falter, and international trade to suffer.

Stripped of its high-minded rhetoric and convoluted reasoning, however, the Lamy proposal amounts to nothing more than another creative non-scientific justification for national product distinctions that are susceptible to manipulation as disguised trade barriers. As an exporter, the EU has nothing to lose by agreeing to respect an importing country's values-ridden risk evaluation framework—especially where those regulatory standards are equal to or less rigorous than its own. Products processed or manufactured in accordance with EU precaution-based standards will almost always satisfy the standards of a risk-based regulatory system. As an importer (perhaps the largest import market in the world), the EU has everything to gain by requiring the industries of an exporting country to satisfy Europe's more costly precaution-based system.

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[15] L. Bergkamp and J.C. Hanekamp, "The Draft REACH Regime: Costs and Benefits of Precautionary Chemical Regulation" (2003), footnote 16.

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This not only furthers the EU's open public policy goals by minimizing *perceived* health and environmental risks and allegedly restoring public confidence in EU regulators, but it also advances its less overt protectionist agenda. In particular, it raises the bar on foreign exports sufficiently to provide regional EU industries with the "level playing field" needed to compete against more efficient industries in the global marketplace.

Take Lamy's distinction between good and bad protectionism in relation to GM foods. Even the European Competitiveness Council has acknowledged how far behind the United States the European biotech industry has fallen. As *Agrifood News* noted in a report on November 26, 2002:

> Spending twice as much on research and development, and employing twice the number of people, the U.S. is creating more biotechnology products and services than Europe. . . . [In 2001], market capitalization of U.S. [biotech] firms was five times that of EU companies.

That alone would provide the commission with ample incentive to protect the relatively undeveloped European biotech industry from competition. By saddling American GMO exporters with market-access hurdles more onerous and costly than those imposed within the United States, the EU "levels" the economic playing field—that is, tilts the playing field to the advantage of European companies.

The EU Commission goes to some effort to deny this obvious fact. It contends that the higher environmental standards imposed on EU businesses pursuant to the precautionary principle actually enhance their competitiveness in world markets because of the more sophisticated technologies they are forced to employ. Other things being equal, that might be true. But the EU's rationalization ignores the reality that the more expensive technologies needed to satisfy those standards raise industry costs and make EU companies *less* competitive. Rather than being absorbed by such companies, the higher technology costs are almost always reflected in higher product prices. The negative competitive advantage they impose is roughly equivalent to the added cost of going beyond average international production costs to satisfy the higher EU market standards.

Hence the commission seeks to level the playing field again by exporting its costly precaution-based regimes abroad to other countries along the global product supply chains, such as China. Examples include the regulation on GMO traceability and labeling, the proposed REACH regulation on management of high-volume chemicals, and the combination of the directives preventing waste from electrical and electronic products and restricting the use of hazardous substances in consumer electrical and electronic products. Precaution advocates, drawing on recent internal developments within the EU, have explained the rationale underlying the export of mandatory EU environmental policy initiatives as follows:

> Initially, precaution was [used] by German authorities in the early 1980s to justify unilateral application of technology based standards to reduce acid rain. But once in place, the Germans pressed the EU to adopt similar standards across the rest of Europe, to prevent its own industries being placed at a competitive disadvantage. This was not enlightened environmentalism at work but the dictates of a competitive market of member states.[16]

Similar protectionist goals underpin the export of EU regulations to other

[16]Andrew Jordan and Timothy O'Riordan, "The Precautionary Principle in Contemporary Environmental Policy and Politics", Paper delivered to the Wingspread Conference, Racine, Wisconsin, January 23–25, 1998.

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countries. This was made abundantly clear in a presentation given by Jeremy Wall of the Forest-Based Industries Unit of the EU Commission. According to Wall,

> EU forests are for their most part well managed, engendering higher costs to forest owners and to wood buyers, but no market advantage is accrued over competitors, many of whom do not always bear the full costs of SFM [sustainable forestry management]. Thus, a key recommendation of the study [of the competitiveness of the European Union woodworking industries] was to 'export EU environmental (and social) standards', in other words to promote the raising of forest management standards world-wide—which is good for forests—and thereby enhance competitiveness—which is good for [EU] forest-based industries.

Thus, the EU seeks to export its standards (and costs) to foreign producers directly. Increasingly, however, it employs a more subtle and even covert method: It subsidizes NGOs in other countries that then seek to reproduce EU-style rules at home through political pressure. This remote-control policy is hard to trace, because often the EU (and sometimes individual EU countries) give subsidies to European NGOs that pass on the money to their subsidiaries abroad. What makes this policy so effective is that the sums of money are often large by local standards, but they arrive in the semi-disguise of humanitarian outreach.

Some of the most outrageous examples of this practice concern the campaign against GMOs in countries with large malnurished populations. As the *New York Times* noted in a February 21, 2003 article, one such country, the Philippines, has recently become the target of a sustained campaign by anti-GMO activists. The reason? The Philippines is home to the International Rice Institute, which is attempting to develop a strain of rice fortified with vitamin A, called "golden rice."

But this has not gone unnoticed in Europe, and the NGO community, flush with EU grants, has responded. The South Asia Regional Institute for Community Education (SEARICE), the Philippines' main anti-biotech NGO, has received substantial funding from the Development Fund of Norway, including an anti-GMO, anti-biotech propaganda campaign. SEARICE has also received funding and support from the Swedish Society for Nature Conservation and the Swedish International Development Cooperation Agency, the Swedish government's aid agency. And the Humanist Institute for Development Cooperation, a Dutch NGO and recipient of EU and Dutch government largesse, also provides support to SEARICE, as well as to hundreds of other local organizations in dozens of developing countries.[17]

While the EU has publicly declared GM foods to be "safer than conventional plants and foods", its member states (and the EU itself) generously fund anti-biotech groups like Greenpeace, Friends of the Earth, and Consumers International. Each of these groups has actively opposed the provision of GM food aid to the developing world.[18] As the Center for Consumer Freedom noted, "the Director of the European Union Commission on Consumer Protection [has] admitted that Europe funds the very environmental organizations that stirred up anti-biotech hysteria in sub-Saharan Africa, prompting Zambia's president to reject" millions of dollars of U.S. food aid. In a bizarre yet telling *non sequitur*, a Greenpeace spokesman declared, "Science is not a church or a religion. It is not enough anymore for European consumers

[17]Don Cruz, "Attack of the Mutant Watermelons", *NGO Watch Digest*, June 22, 2001.

[18]"World Food Summit: Yes to Biotech Foods", www.consumerfreedom.com, June 24, 2002.

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to have somebody with a white coat, a professional, say it's O.K."[19]

This is Luddite psychobabble. What is going on here? Abandoning clear scientific standards in favor of vague and arbitrary cultural ideas, employing the resulting pseudo-science as a protectionist device, and using apparently independent NGOs to help enforce this protectionism, the EU has embarked upon an adventure in environmental cultural imperialism. This is a global practice reminiscent of an earlier European colonial era. And the fact that Europe is using "soft power" to enforce it will hardly make it more palatable to people who will be unable to feed themselves as a result. A confrontation by the world's free-trading governments with the EU's regulators could deal another serious blow to an already ailing WTO, but a failure to confront would abet a grave assault on entrepreneurial capitalism and threaten the global economic growth that promises to drive the 21st century. □

[19]"Europe Admits to Funding Hunger Artists", www.consumerfreedom.com, February 13, 2003.

America's Energy Challenge

Ian Bremmer & Crispin Hawes

WHOEVER wins the presidential election this fall must immediately address America's dependence on the Middle East for such a large percentage of the nation's energy needs.

At present, the United States is outsourcing its energy policy to Saudi Arabia. The Bush Administration (like a number of its predecessors) expects Saudi Arabia to act as a swing producer to ensure that oil is available in quantities sufficient to keep the U.S. economy moving at the pace Washington wants. But it is unreasonable to expect the world's largest exporter of oil consistently to define its interests in harmony with those of the world's largest importer. If the Saudis can sell their oil at a high price and hang on to the leverage that comes with being the only nation in the world with enough current reserves to move the world market price, that is what they will do. In fact, that is what they are doing.

America's dependence on oil from the Middle East in general—and Saudi Arabia in particular—leaves America dangerously vulnerable to the mid- and long-term political shocks the region will experience. The Saudi regime is facing a series of tests that will only increase in intensity over the coming years, as a population explosion challenges its ability to provide for its citizens. Unemployment and underemployment are already growing issues that reflect social as well as economic ills. An increasingly youthful population is simmering with frustration but lacks a legal outlet for its dissatisfaction. In Iraq, it is not at all clear that the interim government can safely pass power to a stable permanent government. In Iran, a

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young, highly literate, well-educated population will eventually challenge the hold the mullahs have placed on social reform. Egypt is likely to experience significant political shocks as Hosni Mubarak's health deteriorates, and the Israeli-Palestinian conflict is likely to percolate for the foreseeable future.

The reality of today's global crude oil market is that it will remain tight for some time to come. Even if the United States were able to import all its oil from outside the Middle East, it would still be vulnerable to Middle Eastern upheavals that would impact global production levels and prices. To reduce U.S. vulnerability to the political shocks of energy-exporting states and the volatility in energy-exporting regions, two primary strategies must be pursued. The first—reduction of domestic crude oil consumption and a shift to alternative fuels—is beyond the immediate scope of this article. In conjunction with this effort, however, Washington must seek to better diversify America's energy sources and incrementally increase the world's crude oil capacity, particularly through a coordinated effort with its allies. To do this, it will have to formulate and implement policies designed to help locate new reserves of oil and gas in regions beyond the Middle East, particularly in the former Soviet Union and West Africa. Indeed, one potential source for an additional amount of oil, Russia, offers U.S. policymakers important opportunities to diversify its energy supply and cooperate with a key regional player in enhancing political stability in some of the most volatile areas of the Eurasian landmass.

An Insatiable Thirst for Oil

THE WORLD currently uses around 80 million barrels of crude oil a day, with the United States consuming around 20 million barrels per day (BPD), of which half is imported. At present, daily production matches demand.

The Paris-based International Energy Agency (IEA) has projected an average annual increase in global energy demand of 1.7 percent a year between 2000 and 2030, an increase over current consumption levels of about 65 percent. While the IEA forecasts on the conservative assumption that consuming countries will maintain current energy policies and does not factor in the possibility that new technologies will be developed, there is no question that world demand for energy is rising fast and will likely accelerate in the coming decades.

Crude oil consumption is expected, based on the IEA projections, to reach 120 million BPD by 2030. Crucially, it is projected are that more than 60 percent of the increase in global primary energy use in 2030 will come from developing countries, particularly Asian states. The developing world's share of global demand will rise from an estimated 30 percent in 2003 to 43 percent in 2030, with a resulting slide in the Organization for Economic Cooperation and Development members' share from 53 percent to 47 percent. This surge in the developing countries' use of energy will be driven by their rapid economic and population growth, coupled with industrialization and growing urbanization. China is already the second-largest energy consumer in the world after the United States, and its influence on global energy markets will only increase as economic growth drives demand.

The core of the failure of current U.S. energy policy is that the only real flexibility in the market is held by OPEC, which not only controls the bulk of global reserves, but most importantly for U.S. policy purposes, most of the world's spare production capacity. At least for the next four years, virtually all the world's additional production lies beneath the following states: Saudi Arabia, the United Arab

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Emirates, Algeria, Kuwait, Libya, Russia, Kazakhstan, Iran, potentially Iraq and possibly Angola.

Yet OPEC's spare capacity by the beginning of August stood at under one million BPD, all of it effectively in Saudi Arabia. While the United States would like several OPEC member states to develop spare capacity for better-diversified sources of energy for the world market, Saudi Arabia wants to maintain the influence that comes with being the only producer that can make a significant difference in total output—and therefore price. The Bush Administration, while pressuring the Saudi government to do more to fight Islamist terrorism, continues to place inordinate faith in the Saudi royals to act as a "swing producer" of oil. Saudi Arabia has made efforts recently to bring crude prices down from high levels that might encourage greater conservation or investigation into alternative fuel sources, but, unsurprisingly, it is the Saudi interest that is being served here.

It is hard to escape the logic that Saudi and American interests simply are not the same. Saudi Arabia has no incentive to ramp up its production to full capacity.[1] Moreover, the United States has been loath to spend its political capital with Riyadh to send a clear signal that spare capacity must be developed and brought online.

Mature oil and gas fields are being depleted in many producing countries, including Saudi Arabia. Without new exploration and development in the major crude oil production areas, there is no hope of staying ahead of the demand curve.

Developing New Capacity

FOR STARTERS, an effective U.S. energy policy would press Kuwait to open up its northern fields, regardless of OPEC quotas, something for which U.S. oil companies have been campaigning. The Kuwaiti parliament has rejected such a move, and while the current administration trumpets its influence with the Gulf states, it is not leveraging these ties sufficiently to support U.S. energy policy. Pressing Kuwait and Abu Dhabi to liberalize their oil sectors to expand production capacity would be a good use of Washington's influence in the Gulf.

In some areas, the need to develop reserve supply must be undertaken with more care. The Bush Administration hopes to push Iraqi oil output toward its 1979 level, the output Iraq enjoyed before Saddam's war with Iran nearly bankrupted the country—an estimated 3.5 million BPD. However, as with much of Washington's current Iraq policy, the goal is a short-term one.

Extraction is currently undertaken using exactly the same aggressive methods used by the Iraqi national oil companies through the sanctions period. In the drive to quickly maximize output, these methods risk damaging reservoirs, needlessly limiting the country's long-term reserve base. This is a clear example of the danger of privileging short-term political interests—showing the world that Iraqi oil is back online—over the longer-term interests of both the Iraqi oil sector and U.S. energy requirements.

The United States, however, should provide Iraq the physical security (through more troops if necessary) and immediate investment needed to begin to

[1]Consider the following scenarios. If Saudi Arabia produced more oil, but political shocks elsewhere in the world kept the price high, the Saudis would lose the power that comes from holding spare capacity—without helping the allies they meant to assist in attempting to lower the global price of oil. However, if the Saudis produced more and the price came down, they would lose the added influence as well as the additional income. Why would they want either of these outcomes?

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get Iraqi oil production moving again. This will have the collateral benefit of providing Iraq income for its own reconstruction.[2] Iraq remains at present outside OPEC quotas, and the United States should try to keep it that way.

On Iran, Washington's approach of isolation, rather than engagement, has slowed Iranian output growth, a realistic potential competitor for Saudi capacity. The investment climate created by the U.S. sanctions policy has deterred foreign companies from making much needed investment in oil infrastructure and exploration and has strangled capacity growth. A less rigid U.S. approach toward Iran doesn't imply a "soft line" policy. The United States should continue to support international efforts to keep Iran from going nuclear and to condemn the Islamic Republic's domestic repression and support for terror groups. But the United States and Iran have significant common ground on which a more cooperative relationship could be built: Both countries want stability in Iraq and Afghanistan, and both will ultimately need Iran to produce more oil.

On Libya, the removal of sanctions will have a demonstrable effect on the development of new capacity. The growth of output volumes in Algeria and in West Africa could also represent an alternative source of spare capacity, but the states concerned are currently producing at maximum levels, and any spare capacity is dependent on their adherence to OPEC policies. Although oil production in Angola fell in 2003 because of production problems in the Kuito field, production is likely to resume its upward trend and should reach 1.22 million BPD in 2005 as new oilfields come online.

For all its talk about the need to develop West African reserves to counterbalance the Middle East, the current administration has not helped Angolan efforts to fund the expansion of capacity. While there are serious reasons to be concerned about governance issues in Angola, the U.S. approach has left the Chinese as the most important new actor in the sector.

All this potential new capacity from OPEC countries and in West Africa will not cover the expected expansion in Asian demand over the next ten years. To make up the difference, the United States must look toward Russia and the underexploited and underexplored fields of the Caspian and Siberia.

A Eurasian Energy Strategy

THE SO-CALLED new "Great Game" in the Caspian region—the competition between the United States and Russia for influence and resources in Central Asia that began with the end of the Cold War—is over. It ended in a draw. Russia was not able to monopolize the region's energy transportation links; the construction of the Baku-Ceyhan pipeline, in particular, ensures that not all Caspian oil will cross Russian territory on its way west. At the same time, Russia's gas monopoly, Gazprom, still controls the transport of Central Asia's gas, which, as in Soviet times, will pass through Russian-controlled routes.

Moscow cannot prevent limited American political and economic influence in the Central Asian area of the former Soviet space. But given the traditional economic and political dependence of the local Central Asian governments on Moscow, Russia will remain a central player in the region for the foreseeable future. Neither Moscow nor Washington gains much from further geopolitical gamesmanship.

If there is nothing to be gained by rivalry, there is plenty to be gained through partnership. For the energy-

[2]For more on the Iraqi oil industry, see Edward L. Morse, "Fighting for Oil?", *The National Interest* (Summer 2004).

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dependent industrialized West, bringing more of the Caspian region's considerable reserves to market is vitally important. Given America's current range of security commitments around the world, it is more important than ever that Washington develop a strategy to increase and diversify its energy supply.

Russia's global market power is seriously limited by the lack of sufficient export capacity in the Transneft pipeline system. The total export capacity of the system is about 3.85 million BPD, but 350,000 of those barrels are used for exports of Kazakh crude, and another 300,000 BPD of capacity sits idle because of an 18-month-old Russian embargo on pipeline exports through the Latvian port of Ventspils.

One million BPD are exported by rail, a relatively expensive way to export oil, because there is no available pipeline capacity. But the situation is actually worse than that. Most of Russia's 1.6 million BPD of refined product exports are, in fact, value damaging. If there were enough pipeline export capacity for crude oil, most of these 1.6 million barrels would be exported as crude rather than product. So, assuming that the Ventspils embargo eventually ends, the Transneft system is roughly 2.5 million BPD short of current needs.

As part of an integrated global energy policy, the next presidential administration should push for an ambitious pipeline development policy with Russia, in the same way that previous administrations actively lobbied for the development of the Baku-Ceyhan pipeline in the 1990s. At the moment, there is no real movement on such a strategy.

Russia too has much to gain from a cooperative relationship with the West in the exploration, exploitation and transport of Caspian-area energy reserves. The technology and investment the West can provide are crucial for the realization of Russia's plans to maximize profits from exceptionally high oil prices, as the non-energy sectors of the Russian economy struggle to become more competitive. In addition, the Kremlin has so far accepted the temporary presence of American soldiers in Central Asia, because these troops provide Russia a nearly cost-free buffer against any Central Asian unrest that might threaten Russia's southern flank. A mutually lucrative energy development partnership with Russia in the politically volatile Caspian region could lead to broader and deeper cooperation in the development of oil reserves in Siberia and the Russian Far East and the construction of a vitally important new pipeline from Siberia to the Pacific.

THE STATES of the Caspian region badly need the political and security stability that will attract continuing investment in the development of its energy resources. The zero-sum notion that there is a certain amount of oil for the regional powers to fight over is dangerously shortsighted, particularly at a time when the world's hunger for energy is growing so quickly and ever more pipelines and export routes are needed to get supplies to market. There is more than sufficient market share for Russia, Azerbaijan and Kazakhstan to guarantee each of them substantial national revenue. What is needed is a dynamic, well-coordinated partnership that profits from local comparative advantages and economies of scale to get untapped energy resources to the markets that need them.

The United States, the European Union, China, Russia and the other littoral states of the Caspian should view the Caspian area as a single integrated energy marketplace. Together they should begin a comprehensive "Eurasian energy dialogue" that will bring together the major outside investors—especially the United States and the European Union—with the region's key actors, including Russia, Azerbaijan and Kazakhstan.

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Joint projects that combine the skills, resources and assets of Western, Asian and Russian firms can bring energy deposits online that would otherwise remain in the ground. Tension and rivalry between China and Japan over access to Russian oil and gas can be eased by a more transparent and cooperative approach to the development of Caspian energy resources and the inclusion of China at the highest levels of the energy dialogue.

Washington must resist the temptation to bring its Persian Gulf strategy, in which the United States jealously guards its regional hegemony in order to deter and contain any potential rival, to the Caspian. While the dangerous potential competitor in the Persian Gulf, Iran, has no interest in any partnership with the United States beyond the most pragmatic situational cooperation, the Caspian's regional heavyweight is Russia, a nation with which the United States and Europe reasonably expect to enjoy close relations, and which the United States cannot and should not attempt to isolate.

What Lies Ahead

IN AN ELECTION year, and with oil prices at record levels, the goal of energy independence is going to get a lot of airtime. It should, because fuel efficiency, conservation and the development of alternatives to fossil fuels are key aspects of any long-term strategy to safeguard the integrity of the U.S. economy. An integrated energy policy would recognize also that domestic energy efficiency measures will have only a limited impact unless achieved in tandem with parallel improvements in consumption efficiency in other major consumer nations. In particular, the United States should promote greater energy efficiency in major developing economies, such as China and India, that are expected to contribute most substantially to global demand growth over the coming decade.

But over the next decade, Washington will continue to have to look abroad for increased energy supply capacity. The reality is that while conservation and the development of alternative sources of energy will take an increasingly important role in changing the balance of America's domestic energy consumption, particularly in power generation, the transport sectors of the economy will remain for the foreseeable future dependent on products refined from crude for *95 percent* of its fuel.

In addition, the next U.S. president—whether George W. Bush or John Kerry—should be less reluctant to deploy the Strategic Petroleum Reserve (SPR) to support lower prices. The failure to use the SPR in January 2003 to combat the impact of the Venezuelan strike—ostensibly because the administration was safeguarding the reserve in anticipation of the conflict with Iraq—is a key underlying factor in the cycle of crude price movements that have now risen to well above $40 per barrel. The next administration should be ready to use the SPR to protect U.S. interests and to encourage the Saudis in particular to act as the swing producer.

Fuel-switching—the practice of substituting one fuel for another based on price and availability—should be promoted as a fundamental part of energy policy. Global natural gas reserves are far more widely dispersed than viable crude reserves, allowing significant production in North America and Europe, although the Middle East and North Africa do contain large exploitable volumes. The development of liquefied natural gas (LNG) facilities is moving forward, but the aggressive expansion of Asian demand for crude oil make further progress both in these facilities and the process of generation conversion essential. The development of LNG production facilities in the Middle East offers a new administration a range of opportunities for policy development towards

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states with massive gas reserves, such as Algeria, Libya and Tunisia.

But beyond all these policy options, which promise to help only at the margins or in the long-term, the next president must diversify and increase incrementally the sources of supply around the world. He must limit the vulnerability inherent in depending upon a single source of meaningful overcapacity—Saudi Arabia—to stabilize world energy markets. Enhancing energy-supply diversity and global capacity should be one of the driving forces in the formulation of our future security policy generally and should provide a guiding "principle of action" in our bilateral relations with foreign energy suppliers.[3] □

[3]This draws upon concepts first elaborated this past year by international lawyer Philip O'Neill and incorporated in an unpublished paper, "When Push Comes to Shove: the Quest for Principles of Action in an Age of Insecurity."

Small is Beautiful

Stephen A. Boyko & Aron A. Gottesman

SMALL-TO-MEDIUM enterprises (SMEs) around the world face a common problem: obtaining a "sliver of equity" to enable them to achieve growth and positive cash flow. While this might not be an imminent problem akin to international terrorism or to nuclear proliferation, the results could be as catastrophic for America's financial interests as the failure to predict the danger posed by Al-Qaeda prior to 9/11 was to our security interests.

Without economic growth, states are unable to cope with a myriad of challenges, from providing employment to funding social services. In the Summer 2004 issue of *The National Interest*, Adrian Karatnycky highlighted the threat posed by poor economic performance to democratic polities by noting,

> Of the world's 88 free and liberal democracies, 38 have a per capita gross national income of $3,500 or less, and 18 have a per capita gross national income of less than $1,500. . . . Evidence suggests that disillusionment with liberal institutions can set in if poor democracies are mired in economic stagnation.

Transitioning economies have to produce at a growth rate of 10–25 times that of the United States, which starts with a per capita gross national income of $37,800.

The importance of SMEs and the micro-cap market lies in their potential for job creation, innovation and commercial aggregation facilitating the integration of global markets.[1] The Small Business Administration (SBA) reported that small firms create more than half of the new jobs in the U.S. economy. A companion 2003 SBA study also found

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[1]SMEs are defined as firms with less than $250 million in capitalization, and micro-cap markets are markets that trade such firms. We are focused on firms on the lower end of that capitalization spectrum.

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that SMEs were a major source of technological innovation. SMEs accelerate the generation, dissemination and application of innovative ideas. In modern global markets it is not so much financial capacity but creative capability that is the key to success.

AMERICA has the only micro-cap market that is able to fund SMEs to any degree of scale. But while the last bull market saw both the transformation of the U.S. capital market from a niche to a mass one and the formation of more than 150 capital markets worldwide, the wealth it created was primarily confined to the top-tier U.S. markets such as the NYSE and NASDAQ. Ownership of financial assets rose from approximately 18 percent to 74 percent of the American population and NYSE capitalization rose from $511 billion to $12 trillion during this period. But although SMEs drove innovation and job growth, most of the capital generated went to large firms. Analysts actually withdrew their coverage from smaller companies in droves. According to data released by Reuters Research, 53 percent of 2,400 small-cap and mid-cap publicly listed U.S. companies in the firm's database lost coverage during 2002–03.

Why? SMEs face a core difficulty in their pursuit of equity financing. That is not investor indisposition to SMEs, however, but regulation—in particular, a fundamental failure of the one-size-fits-all approach to regulating equity securities. Put simply, the current system works well for the firms that are tracked by the Wilshire 3000—an index of publicly traded U.S. equity securities—but it is inefficient and may be ineffective for the remainder of the 12,000 publicly traded U.S. companies and the majority of global SMEs. In other words, the regulatory system imposes costs that are high relative to the likely economic gains sought by the firms. And the firms may therefore not comply with an ill-devised regulatory system.

Regulatory proposals designed for top-tier market, risk-management regimes are disproportionate when applied to the micro-cap market. This top-tier perspective was recently illustrated by Paul Volcker and Arthur Levitt, who defended the added cost imposed by the Sarbanes-Oxley legislation by stating,

> $5 million down and $1.5 million a year is not too much to pay for a multibillion-dollar international company compared to how much investors have lost.[2]

But what about the SMEs that cannot afford such added costs? Do we continue to treat SMEs as if they were large corporations? This is very much a case of mixing apples and oranges.[3]

After all, responsible investors allocate funds among different investment categories and hold different types of securities for various economic reasons. Generally, government securities—low risk but low yield—are purchased for savings accounts. Top-tier issues (stocks and bonds) are usually bought for investment portfolios. Micro-cap stocks, however, are usually sold to venture investors who are willing to accept a higher level of uncertainty. A defining trait of sophisti-

[2] *Wall Street Journal*, June 14, 2002.

[3] The fate of the Ziegler Companies, Inc., a one-hundred-year-old company that became one of the highest profile casualties of Sarbanes-Oxley, is sobering. This firm, which in 2003 reported third-quarter revenues of $19.9 million (compared to $17.3 million in 2002), had to de-list itself from the American Stock Exchange. This did not go unnoticed at the 2003 U.S. Securities and Exchange Commission Small Business Forum. The final report did address the heavy economic burden imposed by Sarbanes-Oxley, and many SME executives called for the "one size fits all" aspects of Sarbanes-Oxley to be reviewed.

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cated venture investors is that they would rather incur investment errors of commission than SEC-constrained errors of omission.

In a related issue involving a hedge fund proposal, two SEC commissioners, dissenting from the majority decision, used logic consistent with an SME exchange:

> [R]egulatory action aimed at eliminating every vestige of fraud in a given market would place such a heavy and costly burden of compliance upon issuers that investors would be safe but unable to achieve any meaningful return on their investments. The regulatory agency would also incur a high cost of enforcement. Carried to its logical end, investor protection as a sole reason for regulation, without also granting markets the freedom to reward those who take risk, ironically keeps investors safe and yet fails to fully protect the investors' sole interest in investing in the first instance: to achieve the highest return commensurate with their individual tolerance for risk.[4]

Similarly, the current micro-cap market regulatory regime tries to make investing in SMEs as "predictable" as investing in top-tier NYSE issues. Equating GE with a small electronics firm (in the absence of exemptive relief for liability) would mean that the costs of compliance and administration would often be greater than the "sliver of equity" that micro-cap issuers seek. This discourages SMEs from raising equity capital. Yet the cost and time required to obtain a "safe harbor" exemption from SEC registration requirements are well beyond the means of many SME issuers.[5] This frustrates economic development and limits investment opportunities, as there are insufficient incentives for SME capital formation.

Systemic change is necessary for the micro-cap market to price SME equities efficiently. To improve the existing capital market platform, we propose the formation of a micro-cap market, which we call the Entrepreneurial Exchange (EntEx). It is a regulatory regime specifically tailored for domestic SMEs, and it could eventually be expanded to international firms for whom the existing U.S. regulatory system may present integration difficulties. EntEx's regulatory regime would recognize the difference between event-driven stocks that are "sold" in the micro-cap market and earnings-driven stocks that are "bought" in the top-tier market.[6] It would provide proportionate regulation that is compatible and appropriate for a registry of sophisticated micro-cap investors—and once again, we stress that these investors understand the tradeoffs associated with the uncertainty inherent in micro-cap markets.

Effective Regulation of Securities

THE International Organization of Securities Commissions sets forth three principles for issuers of securities: There should be full, timely and accurate disclosure of financial results and other information material to investors; holders of securities in a company should be treated in a fair and equitable manner; and accounting and auditing standards should be of a high and internationally acceptable quality. But the devil is in the administrative details as they relate to the initial condition. Strategic transparency decisions in financial markets are determined to a large extent by the dominant investor. In general, bank-controlled, debt-driven firms prefer less information

[4]S7-30-04, "Dissent of Commissioners Cynthia A. Glassman and Paul S. Atkins", www sec.gov/rules/proposed/ia-2266.htm#dissent.

[5]The term "safe harbor" generally refers to the protection against liability a company will have if it follows certain procedures or makes certain statements.

[6]EntEx's regulatory concepts were introduced at the July 2004 North American Securities Administrators Association Conference.

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attendant to stock market trading. Conversely, equity shareholders prefer more disclosure to promote the strategic advantage of firms in a strong competitive position. America is predisposed to investment banking and equity-driven markets, whereas Europe is predisposed to commercial banking and debt-driven markets. The differences between these regimes can best be illustrated by the $1 billion revision to earnings that Mercedes Benz experienced when it applied for listing on the NYSE.

Regulators set policy through choosing commands (the package of standards and rules) appropriate for the available incentives (the possible net benefits derived from compliance). In the context of prospective issuers, standards represent "compliance hurdles" that issuers must overcome to participate in the market. Rules are the retrospective codification of best-practice procedures that should, in theory, optimize market efficiency. Once these are specified, firms face the imbedded cost of abiding by the rules in order to continue to participate in public markets.

A September 2002 paper by Wharton School Professors Brian J. Bushee and Christian Leuz examined the economic consequences of SEC disclosure requirements using a recent regulatory change on the OTC Bulletin Board. This requirement substantially increased mandatory disclosures for firms that previously did not file with the SEC. They documented that SEC disclosure requirements imposed significant costs on smaller firms that forced many SMEs from the OTC Bulletin Board.[7] De-listings can actually lead to *decreased* transparency for shareholders of such companies—the reverse of what the legislation was meant to accomplish.

The low-cost alternative for SMEs can be found in the gray market located underground and offshore. Issuers choose underground markets when rules are burdensome or too costly relative to the costs associated with underground markets, such as the cost of private protection and the potential for government penalty. Issuers choose offshore markets when they are unable to meet standards. Offshore markets can be costly as well, in terms of the inefficiencies that occur when issuers adjust their behavior to suit investors in the offshore market. For regulators, offshore and underground markets represent "errors of omission" as opportunities migrate to these markets to satisfy unmet demands. So the key challenge faced by policymakers is identifying the appropriate levels of standards and rules relative to incentives.

Raising Capital: The EntEx Model

ECONOMISTS believe that for every seller there is a buyer, and vice versa. What is germane from a financial market perspective is whether the seller or the buyer initiates the transaction to gain a "first–move" advantage. We argue that the economic atom needs to be split between top-tier "bought" and micro-cap "sold" metrics for effective and efficient capital formation.

Revenue-driven firms whose securities are "bought" are broadly characterized by an established history of positive cash flow. This history permits a predictable valuation as a multiple of cash flow, earnings, dividend and other measures dependent on accounting-based analysis. Thus, the risk associated with revenue-driven firms is measurable. Conversely, SMEs are event-driven issues that tend to be "sold" in a transaction where the seller makes the first move. The seller compensates for the SME's lack of positive cash flow history by identifying benchmarks that lead to the occurrence of the critical event. Uncertain

[7] "Economic Consequences of SEC Disclosure Regulation: Evidence from the OTC Bulletin Board", September 2002.

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stocks that are "sold" are valued primarily as a function of their corporate mission, percentage of market share or price-to-sales ratio. For example, a firm's performance may primarily depend on successfully negotiating a single contract to provide services to the federal government. If the contract is negotiated successfully, the firm will thrive; otherwise, the firm may fail. Further, the lack of earnings history means that investors face uncertainty, which is distinct from risk insofar as it cannot be measured and is therefore difficult to manage. Until an SME realizes the critical corporate event that enables it to generate positive cash flow, then reduction of uncertainty is the best that investment research can provide.

Consequently, standards and rules that apply to revenue-driven enterprises tend to be disproportionate for event-driven SMEs from both the investor (supply) and firm (demand) perspectives. Yet the standards and rules associated with conventional regulatory models rely heavily on measures of financial performance. While such measures are useful for public companies in developed capital markets, they are less appropriate for most SMEs, which make up a large portion of U.S. micro-cap enterprises as well as global enterprises in transition economies.

Using the same regulatory regime for both "sold" stocks that are uncertain and "bought" stocks that are predictable from a risk management standpoint is inefficient (negative cost/benefit) and may be ineffective (non-compliance). The standards and rules that provide investor protection for revenue-driven firms are not necessarily relevant to the investment-making decision process for venture investors. They produce added costs with little or no benefit.

Presently, the SEC accomplishes its regulatory objectives through overseeing and regulating securities issuers, intermediaries, and self-regulatory organizations such as stock markets. As compliance costs associated with being a public company rise, the burdens of such costs are borne disproportionately by micro-cap participants. While large public companies in the top-tier NYSE and NASDAQ markets are able to digest these additional costs, micro-cap public companies lack the overhead capacity.

The SEC argues that it provides for proportionate regulation for both investor protection and robust capital formation for micro-cap issuers.[8] Yet when exceptions to the rule become the rule, the system itself needs to be changed. Does the goal of protecting unsophisticated investors impose commercial censorship on sophisticated micro-cap investors? In an attempt to ensure the standard of "fairness" for novice investors, has regulation "dumbed-down" the consumer base at the expense of market efficiency? Given different pricing and practice metrics for "sold" and "bought" stocks, the SEC can no longer govern fairly, transparently and efficiently with one-size-fits-all regulation.

The SEC must evolve its regulatory scope beyond "risk" issues (that is, probabilistic top-tier NASDAQ and NYSE securities) to address "uncertain" issues that are indeterminate (unseasoned enterprises or projects with negative cash flow and their attendant derivative products). The dictionary defines "risk" as the chance of loss. Risk is probabilistic and thus presents foreseeable consequences, whereas "uncertainty" is indeterminate and charac-

[8]The SEC's considerable regulatory experience leads it to believe that the term "accredited investor" strikes the appropriate balance between the necessity for investor protection and meaningful relief for small business offerings. Yet the "accredited investor" test is primarily a measure of self-insurance that neither addresses an investor's financial sophistication nor differentiates financial knowledge relative to securities that are "sold" from securities that are "bought."

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terized by unforeseeable consequences. These terms should be carefully defined to better coordinate regulatory procedures with an understanding of business drivers.

REALITY IS contextual. Market governance should be proportionate to the level of commercial activity and the stage of economic development to promote practitioner buy-in. Innovation and adaptability in an uncertain environment are the very hallmarks of a free market. Current financial products that are structured in a complex way evolved from earlier, simpler versions that required adaptive mutations to address uncertain and unforeseeable circumstances.[9] For markets to be robust and innovative, the investment environment must provide opportunities that arise from "uncertainty." Imposing commands to attain predictive capability on capital markets characterized by "uncertainty" undermines market resiliency and increases the probability of systemic failure.

EntEx, in contrast, creates a proportionate regulatory regime of commands and incentives that are specifically tailored for the micro-cap market. It does so in a revolutionary way. It shifts the regulatory emphasis from the investment to the investor and from investor financial capacity (net worth and income) to investor financial capability (investor sophistication and specific micro-cap knowledge).

This concept runs counter to prevailing regulatory trends. But a securities regime that emphasizes regulating investors would represent a market-driven approach towards governance.[10] For investors with superior understanding of issuers, no mandatory regulation is necessary other than anti-fraud provisions. A core principle of the Entrepreneurial Exchange's transactional process is that investors should be financially sophisticated and therefore not in need of regulatory protection when they are offered or sold securities of micro-cap issuers. To this purpose, a third party, self-regulatory organization or a distance-learning provider could develop an education program with an eye to creating a registry of micro-cap investors.[11] EntEx creates a "preferred shoppers" network for participants in the micro-cap market through consumer education and market infrastructure enhancements.

Having reduced liability considerations and the costs of disproportionate regulation by emphasizing investor capabilities, EntEx increases the incentives to direct capital to SMEs across the globe. SMEs themselves recognize the desirability of connecting to a global network capable of providing capital for growth and expansion. The current dilemma that SMEs face is whether to join forces with a large international concern and risk of being acquired, or to ally with a foreign emerging-growth company and face the risks that such an alliance entails.

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[9]Edgar Peters, *Complexity, Risk, and Financial Markets* (New York: Wiley, 1999) p. 19.

[10]But these ideas have found a more receptive audience in academic circles. See S. J. Choi, "Regulating Investors Not Issuers: A Market-Based Proposal", *California Law Review*, 88 (2000).

[11]A registry of micro-cap investors who satisfactorily completed their coursework and/or who are "grandfathered" pursuant to demonstrated prior expertise would serve, absent fraud, as a safe harbor to the provisions of the 1933 Securities Act and 1934 Securities Exchange Act. Investors who do not meet the criteria above or who are subject to a statutory bar could still transact micro-cap issues subject to either an exemptive waiver or the current regulatory regime. One-time waivers could be granted to non-investors contingent upon their knowledge of a particular company's CEO, of the specific industry, of the innovation being provided by the firm, etc. After receiving a specified number of waivers, an investor would be grandfathered as a certified investor.

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EntEx's premise is that companies of a similar size, corporate culture and product development are the preferred choice to become strategic partners. Examples include many software companies that face similar challenges in terms of software development and marketing risks, or companies that provide consulting services that face similar challenges. What SMEs have lacked to date is a suitable forum in which to operate. EntEx is that forum. EntEx would provide scalable sponsorship to enable foreign emerging and U.S. micro-cap markets to become a global integrated network that generates an exponential wealth effect. This, in turn, would provide the "golden river" necessary to sustain economic growth—and, looking farther afield, effective nation-building.

The increasing globalization of economic activity, driven by advances in technology and telecommunications, means that a growing number of companies wish to raise capital in more than one country. Sophisticated investors, issuers and market intermediaries are looking for global market solutions. As markets become more robust, however, consumers seek financial instruments tailored with increasing precision to their needs. When the demand for housing increased in the latter half of the 20th century, the thirty-year, fixed-rate mortgage was tailored to accommodate different maturities, variable interest rates, negative amortization and balloon payments. As standardized mortgage niches attained critical mass, they were securitized to mobilize capital efficiently and drive down the cost of capital. In exactly the same way, the proposed Entrepreneurial Exchange provides optimal governance and wealth creation for the micro-cap market.

The Securities Exchange Commission should provide for a proportionate regulatory regime that is tailored to the specific requirements of SMEs and global micro-cap markets. Consumer choices rather than top-tier SEC commands should determine the degree of global micro-cap commerce. □

Scimitars to Plowshares

Hossein Askari & Rana Atie

TO SUCCEED in its Middle East policy of promoting democracy, peace and regional stability, the U.S. government (with the support of America's private sector) must bring economic prosperity to this troubled region. After years of dismal economic performance and high population growth, unemployment in many of these countries is around 20 percent. As things stand, there is little hope for a better economic future for the youth of the region. Unemployment and economic despair have become the order of the day, and this, along with rampant corruption, breeds resentment and extrem-

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ism. To turn the unemployment picture around, most countries will need sustained annual growth in excess of 7 percent.

Foreign financial assistance and oil revenues will not translate into economic growth. The Middle East has been the world's worst economic performing region over the last 25 years. This is all the more surprising because a number of countries in this region have received an enormous transfer of wealth in the form of oil revenues. While the natural resource endowment should have enhanced economic development prospects, vast oil and gas deposits have in practice done the opposite in the Middle East.

Between 1975 and 2000, Middle Eastern oil exporters received well over $2.3 trillion in aggregate oil export revenues. One would expect the Middle East to have enjoyed an economic boom. Yet most countries in the region have had poor economic performance with low and even negative real GDP per capita growth rates over the last thirty years—Bahrain at 3 percent, Iran at -16 percent; Kuwait at -30 percent; Saudi Arabia at -31 percent and the United Arab Emirates (UAE) at a whopping -105 percent. Oil has been a crutch for the region, enabling governments to put off painful but necessary economic decisions.

While political instability, an unfavorable business climate, rampant corruption, shortsighted or inconsistent policies, and ineffective institutions have contributed significantly to the dismal economic performance of the countries in the Middle East, military expenditures and regional instability have also played a decisive role in hampering economic growth. Even with capital availability, economic liberalization and consistent economic policies, economic growth could hardly be guaranteed in the area because of its total insecurity and relentless conflicts. To succeed economically, the region needs peace and stability. To support stability, the region needs economic prosperity. In short, sustained economic growth and security go hand in hand.

There is an urgent need for economic diversification, trade expansion and a dramatic improvement in the business and investment climate. Egypt's relatively impressive GDP per capita growth rate can be explained by its move toward private sector development (similar economic reforms have also started in Lebanon) and the respite from conflict.

The underlying reason for the region's significant underperformance is undoubtedly the adoption of shortsighted, inconsistent and politically motivated economic policies. Sound economic policies, including the promotion of a vigorous private sector and fiscal prudence (including an effective system of taxation) have not been adopted. Middle Eastern countries have instead saddled themselves with an overbearing public sector, indiscriminate subsidies, an uncompetitive private sector and rampant corruption. The result is that today's oil-exporting countries export very few manufactured goods and services in the competitive global marketplace and have instead squandered their oil wealth in consumption and corruption.

Governments have not used these revenues to lay the foundations of economic growth but instead have resorted to giving handouts to buy support, investing in grandiose projects and increasing military expenditures. With the decline in oil revenues during the 1980s, most of the oil-exporting countries had very little to show—their economies were not diversified, their governments continued to rely on oil (not taxes) as their main source of revenue, and their private sectors were no more competitive than before. Since then, economic growth has been at best anemic, and a number of countries (in particular Saudi Arabia) have accumulated significant national debt. The economic basis for sustained growth is still missing in most, if not all, of the oil-exporting countries. The regimes lack the legitimacy and courage to

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adopt the needed policies. And it has been difficult to adopt the needed economic reforms in an atmosphere of insecurity.

One cannot ignore the real costs incurred by the continuing lack of security in the region, which drives up military expenditures and leads to destructive conflicts. In the Middle East, the standard reasons for military expenditures are security, the maintenance of power by a ruling elite, "pay-backs" to foreign supporters of unpopular regimes, a convenient conduit for commissions, and the waging of war. The payment for military equipment and military might have been facilitated by oil revenues (that is, the availability of easy-come, easy-go, unearned foreign exchange from oil) in most cases or by military aid in the case of Egypt and Israel. Support for the military has been further facilitated by the fact that the Middle East is one of the most undeveloped and undemocratic regions in the world.

Guns, Not Butter

ALL OF THIS means that resources that could otherwise be used for economic development and modernization are siphoned away. It is not surprising that of the world's top 15 arms importers, five are Middle Eastern countries, with Saudi Arabia comfortably at the very top. Between 1997 and 1999, Saudi Arabia imported $27.5 billion worth of arms. The United Arab Emirates purchased $3.7 billion, and Egypt and Kuwait each bought $3.2 billion in weaponry—more than Germany or the Netherlands—at a time when Egypt was receiving large amounts of Western economic aid.

In addition, maintaining a large military diverts both capital and labor from productive employment in the civilian sector. The Middle East's aggregate ratio of military expenditures to GNP of 6.8 percent in 1999 was far higher than that of any other country grouping. This peculiarity of the regional figures may be explained by the fact that rich oil-producing Middle Eastern countries have to spend incredible amounts to protect their unpopular regimes from their own subjects, from aggressive neighbors and from the pressure of foreign manipulation.

The level of military expenditures per capita in the Middle East is also astonishing. Countries such as Qatar, Kuwait and Israel have ratios that are more than ten times the world figure of roughly $140 per capita. Military expenditures for the region constitute over 21 percent of government expenditures. In contrast, the average for developed countries is under 10 percent and for developing countries, around 14.5 percent.[1]

The Middle East has the highest ratio of people under arms—10.3 per 1,000 people. (The world average is 3.6 per 1,000.) Israel leads with around 30.1, and Iraq and Syria have around 20 under arms per 1,000. Such ratios in turn imply tremendous financial costs. Armed forces in the region constitute 2.8 percent of the labor force, as compared to the world average of 0.8 percent. Arms constituted 14.5 percent of all Middle East imports, versus a 1 percent average worldwide.

Nor has there been any manner of "oil dividend", whereby increasing revenues have been able to fund both "guns and butter." While aggregate Middle East oil-export revenues increased by about 150 percent from 1983 to 1999 (excluding 1989–90), this growth is matched by military expenditures and arms-imports growths for the same period of 160 percent and 130 percent respectively. For the region, aggregate arms imports represent about 17 percent of oil revenues over the period, and military expenditures represent about 55 percent.

The Middle East was the leading

[1]In Saudi Arabia, military expenditures constitute 43.2 percent of all government expenditures, while in the UAE, the level is around 39 percent.

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region for defense imports until 1989, with Saudi Arabia as the biggest arms importer from the United States, absorbing 12 percent of U.S. global defense equipment sales during 1985–89. Oil revenues are employed to keep unpopular ruling classes in the region in power and to fuel an arms race that threatens regional stability, while the oil-exporting countries of the Middle East provide a lucrative arms market for both the West and countries in Asia.

The Case of Kuwait

IT IS FAIR TO suggest that oil revenues would have been better used to develop productive non-oil industries and not squandered on the economically unproductive military sector. In addition, the region's many conflicts have not only directly fueled military expenditures but have also resulted in the destruction of infrastructure and property, led to the emigration of many of the educated classes, drained labor from economically productive endeavors, and further reduced economic growth and development because of increased risk and uncertainty.[2]

It is difficult to develop viable democratic institutions, achieve sustained economic growth or attract foreign investors when a region has been plagued by such turmoil. The economic burden of even one of these conflicts is quite staggering. The cost of the Iran-Iraq War has been estimated between $500 billion to $1 trillion for Iran and more than $500 billion for Iraq. It is estimated that more than two million Iranians have left Iran since the Revolution. Most of these were highly educated and highly skilled, and many took their capital with them. The cost of the invasion of Kuwait and of the Gulf War alone has been placed at more than $600 billion for Kuwait and up to a staggering $3 trillion for Iraq. The sum of these figures dwarfs total oil revenues for the entire region over the last 25 years.

This one conflict alone—Iraq's invasion of Kuwait and the subsequent Gulf War—caused enormous damage and exemplifies the self-perpetuating destructiveness of internecine Middle East conflict. The oil industry was the key productive sector to suffer. Some sources speak of $5 billion to reconstruct the damaged oil infrastructure. Reconstruction and rehabilitation of the oil industry was the main objective after 1991. Iraq had destroyed a total refining capacity of 700,000 barrels per day at Kuwait's three major refineries. Nearly 800 oil wells were set on fire by Iraqi forces, amounting to a loss of about 2 percent of Kuwait's 100 billion barrels of reserves. About six million barrels were burned per day in March 1991. Kuwait had to repair its damaged refineries and oil infrastructure and was forced to drill new wells to replace the old ones. It has been reported that damage claims by Kuwait were $130 billion.

Aggregate losses may be much higher if we add to reconstruction costs, lost oil revenues, foregone non-oil GDP and the burden of an increase in government debt of $70 billion from pre-war levels. The direct economic cost to Kuwait has been placed at $300 billion. While Iraq still owes Kuwait significant reparations, these are unlikely to be paid in full. Kuwait will suffer the consequences, and from a

[2]Since World War II, major conflicts in the region include the establishment of the state of Israel in 1948 and subsequent related conflicts (the Six-Day War of 1967, the 1973 Yom Kippur War, and the eruption of the second *intifada* in 2000); the Egyptian Revolution in 1952; the 1956 Suez Canal War; numerous revolutions in Iraq and Syria; the war between the two Yemens in 1972; the civil war in Lebanon from 1975 to 1990, the Israeli incursion into Lebanon, and Lebanon's occupation by Syria; the Iranian Revolution in 1979; the Iran-Iraq War from 1980 to 1988; the invasion of Kuwait by Iraq in August 1990; the Gulf War in 1991; and the Iraq War in 2003.

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regional standpoint these costs constitute a net loss for the region, no matter who in the region pays. Moreover, much of the cost of the Gulf War for the allies was paid by Saudi Arabia, Kuwait and the UAE. The resulting environmental damage of the Gulf War, the effects of which continue today, is also staggering. In September 1995, Kuwait submitted five claims to the United Nations of $385 million against Iraq for damage to health, coastal areas, the maritime environment, the desert environment and ground-water resources.

Kuwait's economic burden did not cease with the end of the Gulf War. The war resulted in a tenfold increase in military expenditures from around $2.3 billion in 1989 to $15.6 billion in 1990, $18.2 billion in 1991, reaching a high of $21.2 billion in 1992. Only after 1993 did military expenditures start to decline. They ranged between $2.7 and $4 billion from 1993 to 1999, figures that remain higher than pre-war levels. The decrease in GNP resulting from the war was also significant, falling from $39.2 billion in 1989 to $29.4 billion in 1990, and down to $17.9 billion in 1991. Another striking fact is that the military-expenditures-to-GNP ratio increased from around 6 to 77 in 1992. This ratio has still not fallen to its 1989 level. All of the above observations are easily explained by the fact that since 1990 the government in Kuwait has not felt safe and has diverted a significant part of its expenditures to greater military security.

How Kuwait and other countries in the region will feel about their future in the aftermath of the Iraq War depends on how events unfold in the region. On the one hand, Saddam Hussein may be gone, but a peaceful Iraq is not a certainty, and even a peaceful Iraq would be insufficient to give Kuwait total comfort. On the other hand, the Iraq War has given birth to a new generation of revolutionaries whose explicit aim is to overthrow traditional regimes. This is already clearly evident in Saudi Arabia and may spread to other countries in the region. Traditional regimes feel further threatened because of the demonstrated mobility of these revolutionaries and terrorists across porous borders. This new external threat can be expected to increase military expenditures—expenditures that will be further fueled by the re-arming of Iraq and by the ready source of financing from record high oil prices.

Overcoming the Present

THE U.S. government and other international donors cannot bring prosperity to the region simply by pouring in money. For one thing, the region is totally devoid of democracy, of viable institutions and of security. At the same time, its economic policies and practices are designed to keep autocratic regimes in power. The absence of democracy in the area has enabled corrupt Middle Eastern rulers to maintain their power over populations—whether crawling under the weight of poverty, unemployment, malnutrition and illiteracy (the masses) or benefiting from incredible wealth (the few)—by distributing resources and social services to buy off potential insurrection.

Economic growth, on the other hand, requires sustained and productive investment, an educated and skilled labor force and a good dose of technology. Most developing countries acquire technology through foreign direct investment and through imported machinery and equipment. They spend a great deal on education and create a business environment with policies to encourage private sector investment and foreign direct investment. Although education has been promoted in the Middle East, it has not received the highest priority. People in oil-exporting countries have become more accustomed to handouts than hard work. The region needs domestic and foreign private sector investors if it is to grow economically, but

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private investors need security and stability. The absence of a favorable business climate has discouraged long-term investment, both from domestic sources and from abroad. What investor can be expected to risk all in a totally insecure environment that many citizens want to leave and where foreigners are reluctant even to visit?

If the United States is serious about bringing peace and economic prosperity to the region, it will need more than eloquent rhetoric about democracy and development and a few high-profile projects. And while a final settlement may be decades in the making, there are several short-term confidence-building steps (similar to those undertaken in Europe during the Cold War) that can help to create a greater sense of stability to encourage reform and investment.[3] These include an international agreement to embargo the sales of all sophisticated, offensive weaponry to the region and a Security Council resolution guaranteeing the borders of every country in the region from external incursion, as ongoing border disputes remain a major source of tension. In time, such steps could lead to the development of a Middle East version of the "Helsinki process" to promote regional security and cooperation.

Moreover, there are economic steps that can be more readily adopted even if final peace settlements remain illusory. Middle Eastern states should be encouraged by the International Monetary Fund and the World Bank to adopt the economic reforms outlined above. All the countries of the region should be encouraged to join the WTO (and not be selectively barred from membership by the United States). OECD countries should open up their markets to the non-oil exports of the Middle East and provide special low-cost insurance to companies that invest in the region, especially for investments outside of the oil and gas industries.

Most importantly, this requires ongoing U.S. engagement with all countries in the region, even with those that do not embrace U.S. policies. Threats and isolation can only alienate the general population and diminish support for U.S. policies—including adopting reforms. We should be prepared to offer carrots as well as brandish the stick to make it clear to the states of the region that, to the extent that they play a responsible role in the world and engage in political and economic reform, they will be supported in such efforts. America's multigenerational commitment to promote positive change in the Middle East also needs the support of Europe, Japan, China and Russia; and this support must be steady and forthcoming for years to come. There is no quick fix—and oil is certainly not the solution. □

[3]A durable settlement would require *all* countries in the region to be at peace with each other. This would include a Palestinian-Israeli settlement where the two sides are convinced that they got the best possible deal. Another component would be transforming the region into one that is free of all weapons of mass destruction, including nuclear arms.

It is impossible to divide the interest of a country and a company that works on its soil. Our interests are the same. What's good for Russia is good for the company.

—Vagit Alekperov, CEO, LUKoil, *New York Times Magazine*, August 1, 2004

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Reviews & Essays

The Late American Nation

James Kurth

James C. Bennett, *Anglosphere: The Future of the English-Speaking Nations in the Internet Era* (Lanham, MD: Rowman & Littlefield Publishers, 2004), 256 pp., $29.95.

Robert Cooper, *The Breaking of Nations: Order and Chaos in the Twenty-First Century* (New York: Atlantic Monthly Press, 2003), 180 pp., $18.95.

Samuel P. Huntington, *Who Are We? The Challenges to America's National Identity* (New York: Simon & Schuster, 2004), 428 pp., $27.

Jeremy A. Rabkin, *The Case for Sovereignty: Why the World Should Welcome American Independence* (Washington, DC: AEI Press, 2004), 255 pp., $25.

Anne-Marie Slaughter, *A New World Order* (Princeton, NJ: Princeton University Press, 2004), 368 pp., $29.95.

DURING THE 1990s there was a widespread recognition that, when it came to the topic of international affairs, the most significant book of the decade was Samuel Huntington's *The Clash of Civilizations and the Remaking of World Order*. After the terrorist attacks of 2001, there was an even wider, indeed a worldwide, recognition that Huntington's book, with its analysis of the "Islamic resurgence" and "Islam's bloody borders" could well be the most significant book for this decade as well. Of course, when it was published, *Clash of Civilizations* produced its own clash between Huntington and a claque of critics, many of whom were hostile or even hysterical. But whatever the strength, or the noise, of the critics' arguments, they were blown into irrelevance by the terrorist attacks, for about these, the critics had nothing meaningful to say, while Huntington manifestly did.

Now Huntington has once again published a most significant book, this time about a clash of cultures within America itself and the remaking of American identity, and once again he has aroused a claque of critics, many of them hostile and even hysterical. They have appeared in venues as diverse as the *New York Times*, the *New York Review of Books*, the *New Yorker*, the *New Republic* and *Foreign Affairs* (although it is evident that many of them are published in the same locale, New York). Once again, the clash between Huntington and his critics will not be settled by arguments appearing on the printed page. If his somber vision of America's future is right, it will be set-

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tled by the actual events, perhaps great and bloody ones, that will be produced by a clash between the traditional American culture and the cultures that assail it.

Huntington's Three Controversial Theses

HUNTINGTON presents a comprehensive, detailed and scholarly analysis of the traditional components and the recent changes in America's national identity. In the course of this, however, he develops three highly controversial arguments or theses. First, he demonstrates that the core of American national identity has always been what he describes as an "Anglo-Protestant" culture. This cultural component of the identity has produced another, ideological, component, which is the "American Creed." Together, the culture and the creed have provided the enduring definition of the American national identity; they survived, even after earlier racial and ethnic components of that identity disappeared after the 1960s. But, Huntington argues, the American Creed alone is not enough to sustain a national identity, and the essential Anglo-Protestant culture is now under systematic and sustained assault.

Second, Huntington argues that the Anglo-Protestant culture and the American Creed, and therefore the American national identity, are threatened by large-scale immigration from Mexico, an immigration that is unprecedented both in its immense and sustained scale and in its resistance to assimilation. This gives rise to the phenomenon of Hispanization and the likelihood of a binational United States, with all the social and political divisions and conflicts that normally characterize binational societies (for example, Canada and Belgium). It is this argument about Mexican immigration that has received the most hostile and hysterical criticism from reviewers in liberal publications. They have not only rejected Huntington's conclusions about the danger posed by Mexican immigration; for the most part, they have also ignored or misrepresented his systematic reasoning and extensive evidence.

Third, Huntington demonstrates that the American elites have ceased to adhere to patriotic values and a national identity; rather, their views are now multicultural, cosmopolitan and transnational, actively opposed to the traditional, patriotic and national views of most of the American public. (Huntington presented this third argument in the Spring 2004 issue of *The National Interest*.) These elite views provide part of the explanation for their acceptance or even promotion of large-scale Mexican immigration. More generally, however, they explain why it is the American elites themselves who are the major threat to American national identity, and particularly to the Anglo-Protestant culture and the American Creed. (Indeed, from my own experience, Mexican-Americans who are evangelical Protestants or even devout Catholics have values that are a lot more in common with those of the original American Protestants than the values of the American elites, especially those of English descent and secular mentality.) Conversely, Huntington shows, the American public continues to adhere to the traditional American culture, ideology and national identity.

It is easy to see why these three theses of Huntington have been controversial. Most reviewers have never regarded themselves as either Anglo or Protestant, and indeed many of them look with fear and loathing upon anyone who does. Furthermore, most reviewers see themselves as an integral part of the American elite, and many of them happily see themselves as multicultural, cosmopolitan and transnational. There is no mystery why they hate Huntington's arguments. However, for them to directly attack the

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Anglo-Protestant culture might appear mean-spirited or even bigoted, and to explicitly defend the elite might appear self-promoting or even elitist. This probably explains why the usual rhetorical move of Huntington's critics has been to attack his other argument, the one about Mexican immigration and Hispanization, and to accuse him of being a nativist or even a bigot.

Huntington's Problematic Solutions

HUNTINGTON calls for a return to and reassertion of the core components of the American national identity—the Anglo-Protestant culture and the American Creed. Although he is not very explicit and concrete about the solutions to the problems he anayzes, it seems that he would greatly reduce Mexican immigration and greatly enhance programs that would bring about the assimilation of all immigrants into the traditional American identity (culture as well as creed). At one point, he imagines what America would look like if Mexican immigration were abruptly stopped while every other demographic trend, including immigration from elsewhere, were to continue on unchanged. It is clear that he would prefer this outcome. But nothing in his book gives any expectation that this is going to happen. Rather, his analysis leads to the conclusion that Mexican immigration is virtually inevitable and that the transformation of the United States into a binational society is also very likely. He describes all of the powerful economic and political interests in favor of large-scale Mexican immigration; the only opposition to it comes from a widespread, but disorganized and inconstant, opinion within the public.

More fundamentally, it seems that Huntington would have the American elites change their multicultural, cosmopolitan and transnational views and conform their values instead to the traditional, patriotic and national ones of the American public. (It would seem logical for him to argue that the American public should replace the current American elites with new elites more in keeping with the public's values, but he does not actually go this far.) At bottom, Huntington is calling for a revival of the Anglo-Protestant culture, one that would reach even into the hearts and minds of the American elites.

A Revival of Anglo-Protestant Culture?

WHAT ARE the prospects for a return to and reassertion of America's Anglo-Protestant culture, either on the part of American elites or on the part of the American public, which could then produce new American elites? Unfortunately, the prospects are bleak.

Many years ago, a noted sociologist observed that a principle norm of Anglo-Protestant culture was to "not give offense."[1] Today, virtually anyone in America who is not *both* English in ancestry and Protestant in religion is likely to take offense when they hear American culture described as "Anglo-Protestant." This is despite the fact that Huntington does carefully distinguish between an Anglo-Protestant *people* and an Anglo-Protestant *culture*, and he demonstrates how most Americans who are not English in ancestry or Protestant in religion have still willingly adhered to the Anglo-Protestant culture.

The Anglo-Protestant culture might form the core of American identity, but it is nevertheless a culture that for almost half a century has not dared to speak its name. (How many WASPs are willing to call themselves such?) By now, there is almost no one in America who is willing

[1]John Murray Cuddihy, *No Offense: Civil Religion and Protestant Taste* (New York: Seabury Press, 1978).

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to identify their culture and themselves as "Anglo-Protestant." First, no American of non-English origin (probably 80 percent or more of the U.S. population) is going to adopt an explicitly English or "Anglo" cultural identity. An "American" cultural identity is the most that can be expected, and this will have a tendency to drift downward toward an identity that is merely an ideological one (that is, "the American Creed") or one that is based merely upon American popular culture (which is hardly a culture at all). Further, even those Americans who do have English ancestry have in practice largely abandoned any explicit idea of an English or "Anglo" cultural identity. The "Anglo" component of the national culture may be real enough, but very few Americans know about this reality and the few that do are not willing to assert it. If an identity exists as a fact, but not in the mind, is it a real identity?

The situation is different in regard to the "Protestant" component of the national culture. As Huntington demonstrates, a substantial majority of the American public are quite willing to identify themselves as Protestant or, more broadly, as Christians. But this is not true of the American elites. Indeed, a large majority of these elites regard Protestants with fear or scorn, and they do everything they can to exclude real (Bible-believing) Protestants from the elite altogether. These elites are certainly not going to accept a "Protestant" or even "Christian" cultural identity. The most that can be expected is something like a "spiritual" identity, and this will have a tendency to drift outward into some kind of universalism or transnationalism (again, with hardly any cultural content at all).

Overall, then, Huntington presents a sober and somber view of the challenges to American national identity. And when we add to his analysis the bleak prospects for a revival of his core component—Anglo-Protestant culture—the resulting perspective is not just sober and somber, but stark and dark.

However, seen from the perspective of other traditions (for example, Catholicism or Confucianism) and other nations (like Germany or China)—from an un-American perspective, if you will—Huntington's view may not be stark and dark enough. For all of his concern about threats to the American national identity, Huntington expresses a typical American optimism that the fundamentals of this identity are essentially sound and therefore that a return to them would set things right.

But what if the Anglo-Protestant culture and the American Creed are themselves fundamentally flawed, that they have from their beginnings carried the seeds of their own destruction, and that these seeds have now matured in the particular circumstances—that is, the global economy and the information technology—of the early 21st century? As it turns out, when we peer into the core values of the Anglo-Protestant culture and the American Creed, we will see that these values created the conditions by which they eventually would be transformed into something different and perhaps be abolished altogether.

Anglo-Protestant Culture and Immigration

WE HAVE seen that one basic problem with the Anglo-Protestant culture as the core of American national identity is that the American elites decisively reject the Protestant part and that both the American elites and the American public decisively reject the Anglo part. But an even deeper problem lies with the very features—indeed the very virtues—of the Anglo-Protestant culture itself. The Anglo-Protestant culture certainly goes a long way in explaining the astonishing success of the United States in its rise over two centuries to its contemporary pinnacle of power and

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prosperity. But the same culture is also the cause of the threats to America's identity that Huntington describes.

The "Anglo" component of the culture has predisposed Americans to a greater emphasis on property rights, "the pursuit of happiness" and extreme individualism than can be found in any other culture. In recent years, a number of historians have demonstrated that, beginning in late medieval times, English economic development, and the "Anglo" culture that was the result, pioneered the protection and promotion of private property rights. In the modern age, this meant an unusually supportive environment for free enterprise and capitalist development. The "Protestant" component of the culture predisposed Americans in the same direction, at least in so far as Max Weber's famous thesis about the Protestant ethic and the spirit of capitalism has any validity. Indeed, in a new and major history of America, Walter McDougall places the figure of the hustler at the core of the American character.[2]

From the beginnings of the English colonies in America, an Anglo-Protestant culture meant that entrepreneurs were largely unrestrained in importing cheap labor, even if these laborers were not English or Anglo or Protestant in any way. This was most obviously and momentously the case with African slaves as early as the 1610s, but cheap, non-English and non-Protestant labor has dominated immigration in every century since. At every point in American history when the immigration of non-English or non-Protestant persons became a political issue, it was businessmen of English descent and often Protestant religion who lobbied to ensure that non-English and non-Protestant workers would be admitted. Of course, people who identified themselves as English or as Protestant did form nativist movements in the 19th and early 20th centuries. But normally these could not prevail against the combined political force of Anglo-Protestant businessmen and non-Anglo and non-Protestant voters.

IN THE FULLNESS of time, many non-English and non-Protestant immigrants became as successful in business as the Anglo-Protestants before them, and they joined the grand political coalition in favor of open borders and liberal immigration. It is, of course, the current generation of businessmen who have been the principle political force promoting the vast immigration of cheap workers from Mexico. It is this very immigration, and the threat that it poses to America's national identity, which is the central concern of Huntington's book. This threat has been greatly facilitated, however, by a core value of the Anglo-Protestant culture.

What has been true of the Anglo-Protestant culture has been even more true of the American Creed. Its central values have been variously defined as liberty, equality, opportunity, individualism, free enterprise, civil rights and the rule of law. None of these provides any principled basis for restrictions on immigration. Even those Americans who have not been engaged in business have in practice accepted or acquiesced in open borders and liberal immigration. At the core of the American Creed is the idea of individualism, and this has been the great solvent that has worked to dissolve community identity and to impede collective action. Indeed, none of the values of the American Creed provide any explicit validation for communities or collectivities. Once Anglos were deracinated and Protestants were secularized into individualized Americans, they became virtually incapable of pursuing any group identity and certainly any project which would preserve and promote Anglo-Protestant culture.

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[2]McDougall, *Freedom Just Around the Corner: A New American History 1585–1828* (New York: Harper Collins, 2004).

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Seen coldly and clearly from a truly Protestant (*sola scriptura* or Bible-believing) perspective, the American Creed is a heresy. The very notion of a totally national and secular "creed" is an insult to the original Christian creeds (like the Apostles' Creed and the Nicene Creed). As Huntington acknowledges, the American Creed is "Protestantism without God", while its associated "American civil religion" is "Christianity without Christ." For the original Protestants who founded America, it would have been no surprise that this heresy might come to a bad end.[3]

Identity or Sovereignty

HUNTINGTON'S perspective is not the only level of analysis employed by persons who are concerned about threats to the American nation. Whereas he focuses on the undermining of American *identity*, others, such as Jeremy Rabkin, have focused on the undermining of American *sovereignty*. The former emphasizes culture and society, while the latter emphasizes law and state. In some ways, the two levels of analysis can perhaps be seen, respectively, as the substructure and the superstructure of the American nation, or alternatively, as the two sides of the American coin.

Rabkin, a noted and articulate professor of international law and constitutional history at Cornell University, provides a vigorous and cogent set of arguments in defense of American sovereignty and against those who have sought to limit and undermine it, particularly many of the leaders in his own professional field: professors and judges who seek to shape international and constitutional law. His arguments will be very acceptable and useful to the Bush Administration and to neoconservatives, for he shares many of their views. And his case is so informed, logical and thorough that others who are concerned about American sovereignty—traditional conservatives—will greatly benefit from his book too.

Although Rabkin's book is organized in a different way, his analysis can be seen as presenting parallels to Huntington's three controversial theses. Rabkin also wants to reassert a traditional core of the American nation, in his case the ideas and principles provided by the "American Founders" and the federal Constitution. He also identifies a major foreign threat, in his case the alternative and fallacious conceptions of sovereignty promoted by the European Union, particularly by the likes of France and Germany. And Rabkin also identifies particular American elites who are aiding and abetting the foreign assaults; in this case, however, these are mostly the academic and judicial specialists in international law, a much narrower indictment of American elites than Huntington's.

If the real threat to the American nation is to its sovereignty—to the nation's superstructure or to the upper side of the American coin—then Rabkin's diagnosis and prescription will meet the needs. The threat can be addressed with a relatively feasible project against a relatively feeble adversary: a restoration of the wise judgments of the Founders and the solid fundamentals of the Constitution, along with a rejection of the wrongheaded and self-centered views of European elites and their American academic and judicial collaborators. If, however, the real threat to the American nation is to its identity—to the nation's substructure or to the lower side of the American coin—then Rabkin's diagnosis and prescription do not go far enough.

If Huntington is right, the illness reaches much deeper. The Founders and

[3] I have discussed the American Creed as one stage in the declension of American Protestantism in "The Protestant Deformation and American Foreign Policy", *Orbis* (Spring 1998), pp. 221–39.

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the Constitution will only be respected and followed within a robust and pervasive Anglo-Protestant culture; the major foreign threat comes not from bureaucrats far across the Atlantic, but from a large community within the United States itself; and the collaborators in the destruction of the American nation are not only the specialists in international law, but they include most of the American elites. Rabkin's diagnosis and prescriptions will be necessary, but they will not in themselves be sufficient. Much stronger medicine—or more radical surgery—will be needed to restore health and vigor to the American nation.

The Structure of Elite Anti-Americanism

HUNTINGTON gives an extensive account of the American elites. Some of these elites have a cosmopolitan view of America's place in the world: America should merge itself with the rest of the world. Other elites have an imperial view: America should remake the rest of the world in its own image. With the exception of some political elites (for example, elected officials who are responsive to the patriotic values of the public) and also military officers, none of the American elites adhere to a national view—that America should maintain its national identity in a world that includes other nations. Huntington's review of the American business and cultural (including academic and journalistic) elites makes clear that they will not be the defenders of an American national identity; rather, they are working relentlessly to destroy it and replace it with various kinds of multicultural and transnational identities.

The perspectives and values of these American elites have a lot in common with those which Robert Cooper, a distinguished British diplomat, presents in his elegant and incisive book, *The Breaking of Nations*. Cooper is primarily describing European elites, and the term that he uses for their perspective is "postmodern." He distinguishes postmodern cultures (like Europe and America) from modern (China and India) and pre-modern (the Islamic world) ones. Cooper is acute in analyzing the origins and development of the postmodern perspective, but he is generally persuaded of its strengths and virtues. What he says applies to most American elites as well (the same ones described by Huntington), and indeed he provides a more sophisticated exposition of their cosmopolitan and transnational views than most of them could give themselves.

Anne-Marie Slaughter, Dean of the Woodrow Wilson School at Princeton and distinguished scholar in international law, shows that the cosmopolitan and transnational conceptions of European and American elites have reached such a degree of development and integration that they have already brought into being a real "new world order." This order is composed of transgovernmental elites who continuously and cooperatively work together in the course of carrying out their governmental responsibilities within their own nations (such as they are). She gives a very comprehensive and detailed account of the administrative, judicial and legislative arenas where this takes place, and she is obviously pleased with this transgovernmental and transnational world order (she is the kind of elite professional about whom Jeremy Rabkin is concerned). For Slaughter (and for most American academics and international lawyers), America's national identity probably has about as much meaning and value as one of America's fading and now vestigial ethnic identities (read, Anglo-Protestants).

ALTHOUGH Huntington does not explicitly say so, his analysis makes clear that the only way the American national identity can be preserved is for the contemporary American business and cultural elites to be dis-

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placed. But these elites occupy crucial commanding heights of American society. As long as America is a *liberal* democracy (officially a representative one; actually, as Huntington states, an unrepresentative one), these business and cultural elites will determine the policies that affect—and extinguish—national identity. For America to recover its national identity, it would have to become an *illiberal* or *populist* democracy, which would then carry out a populist revolution within the major political, cultural and economic institutions. But this would of course mean a violation of many of the elements of the American Creed (particularly, conventional definitions of individual liberty, free enterprise, civil rights and the rule of law).

Even if a populist democracy were to displace the contemporary globalist, transnational elites with new elites who adhered to more American, national values, the realities of the global economy and of the information age would work relentlessly to convert these new business and cultural elites once again to a global and transnational perspective and to the accompanying values. In short, as long as business elites are drawn toward a global economy and as long as cultural elites are drawn toward an Internet technology, there will be no sound and stable basis for an American national identity. When business found its most profitable activities to be on an American, national scale, then business promoted an American, national identity. Indeed, it consciously and systematically promoted the American Creed. Conversely, when business found its most profitable activities to be on a global, transnational scale, it not only promoted a global and transnational identity, but it became actively hostile to an explicitly American and national one. As was the case with immigration, none of the values of the American Creed provide a principled basis for restrictions on globalization and transnationalism. Indeed, none of the values of the American Creed prevent its American dimension from being replaced with a global perspective and its creedal dimension from being replaced with a postmodern mentality.

Culture and the Anglosphere Alternative

ONE INNOVATIVE and imaginative author, James Bennett, instead makes the case that something like the Anglo-Protestant culture can provide a viable basis for a transnational order—the "Anglosphere"—whose scope would lie between the national scale and the global one. Bennett argues that the United States has much more in common with the English-speaking nations—especially Britain, Ireland, Canada, Australia and New Zealand—than it has with other countries around the globe, including those on the European continent. The English language and the English legal tradition shared by these nations have always been important, but they are even more so in the Internet era and the transnational economy. Consequently, these nations are now coming together as a "network commonwealth"—the Anglosphere. In addition to sharing English language and law, the nations of the Anglosphere share common conceptions about the proper roles within society of the limited state, the free market and the independent individual. Individualism is more pronounced and protected in the Anglosphere than elsewhere and, very importantly, so is the level of trust between individuals.

It is clear that Bennett and Huntington have similar conceptions about the core elements of "Anglo" culture. But for Bennett, the dynamics of this culture, interacting with the global economy and Internet technology, are driving Americans beyond a mere national identity, which is limited to the United States, to a transnational identity, which is grounded in the dense inter-relations—

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the network commonwealth—among the English-speaking nations. The Anglosphere, Bennett foresees, will be the most coherent, advanced and effective association of nations of any operating and competing within the global economy and the information age. As such, Bennett projects a more expansive and optimistic future for Americans than that provided by Huntington's analysis. However, Huntington himself might respond that, with friends like the Anglosphere, the American national identity does not need enemies.

Identity and Catastrophe

OF COURSE, there was one earlier era—just a century ago—when the global economy and communications technology of the day seemed to be drawing some business and cultural elites—particularly those in the British Empire—toward a transnational identity. This earlier era of globalization was brought to a crashing halt by the outbreak of World War I. The ensuing mobilization of national economies and national propaganda enhanced national identities around the world. These developments were further reinforced by the Great Depression and World War II, and the era of strong national identities lasted for half a century. It was not until the 1960s that a new era of globalization would begin.

By now, globalization is deeply embedded in the economic and cultural institutions of not only the United States but of the European Union as well, and indeed of all the societies that comprise what was once called Western civilization. The elites of the entire West have become deeply opposed to national identities. The European elites have overwhelmingly chosen what Huntington calls a cosmopolitan identity (and what Cooper calls a postmodern one), while the American elites are divided between cosmopolitan and imperial identities (or between postmodern and modern ones). However, the dismal course of the Iraq War will likely temporarily diminish the imperial tendency in American foreign policy, leaving the cosmopolitan elites even more in control.

It would take a cataclysm on a world-historical scale (the equivalent of the two world wars and the world depression during 1914–45) to destroy the economic and cultural institutions which are so committed to global and transnational identities. Huntington does not speculate about any such cataclysms. He does consider three possible threats to American national security, however. The growing Mexican population in the United States might lead to a binational America and to a white nativist reaction, which obviously could take violent forms. He also considers the developing threat from militant Islam and, further in the future, the potential threat from a nationalist and expansionist China. Any one of these threats could conceivably issue in some kind of cataclysmic war, be the war civil (between the Anglo and Hispanic populations), transnational (Islamic terrorist attacks within America), or international (between the United States and China). A catastrophic explosion that happened to destroy the *New York Times* building might be a significant beginning, but even this might not be enough to change the minds within that particular commanding height of the American elite. In any event, out of such a cataclysmic war, some new kind of American national identity could arise, just as one did during the cataclysm of the Civil War 140 years ago. But what this identity would look like, or even if one would want to look at it, no one now can tell.

Absent this kind of exogenous shock, however, the indigenous logic or natural tendency of the American elite culture

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will continue to work its way, and that is to bring about the abolition of the American national culture. But since that elite culture, particularly its supercharged business enterprise and expressive individualism, is itself merely an exaggerated version of some of the core values of the old Anglo-Protestant culture and of the American Creed, in the end it is the American national culture that is working to abolish itself. □

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A Nation Under Guilt

Martin Walker

Richard J. Evans, *The Coming of the Third Reich* (New York: Penguin Press, 2004), 622 pp., $34.95.

Nikolaus Wachsmann, *Hitler's Prisons: Legal Terror in Nazi Germany* (New Haven: Yale University Press, 2004), 538 pp., $45.

AT THE invitation of French president Jacques Chirac, German Chancellor Gerhard Schröder joined the leaders of the Allied powers of World War II at this year's 60th anniversary of the D-Day landings. His presence, a subtle suggestion that Germans may also claim to have been liberated from Hitler's tyranny by the Allies, was a richly symbolic moment in Schröder's long campaign for his country to be treated as "a normal nation." This had been an important theme of his first successful election campaign in 1998, and the "normal nation" phrase was deployed to justify his bold decision to deploy German troops abroad (for the first time since 1945) in Kosovo-Metohija and Afghanistan.

The increasing official prominence given in Berlin to the annual commemoration of the July 20, 1944 bomb plot against Hitler should be seen in the same political context. Graduating cadets from the Bundeswehr military academy now take their oaths of allegiance to the Federal Republic and its constitution on the date of the abortive assassination attempt and at the site of the former Wehrmacht HQ. The political implication is clear: There was a brave and determined German resistance to Hitler, and therefore Germans also enjoyed a real liberation in 1945. The new Germany, which takes an honorable part in the military operations of the international community as mandated by the UN Security Council, should thus finally be allowed to emerge from the long shadow of the Third Reich.

Officially, some countries agree; hence the invitation to the D-Day event in Normandy this year. The event was marked by little of that international furor that attended the presence of President Ronald Reagan at the Bitburg military cemetery some twenty years ago, when it was learned that SS men were among the dead. Germany and the world have moved

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on and the World War II generation is dead or in retirement. But the history never quite goes away. In April of this year, the German agency in charge of war graves found, after a request by Schröder's sister Gunhild, the unmarked grave of their father Corporal Fritz Schröder, killed in 1944 by partisans in Romania at the age of 32. Schröder, who never saw his father, has said that he will at some point visit the grave, and hoped for privacy from the media when he did so.

He is unlikely to get it, because Germans are as fascinated by their own past as anyone else. But the recent wave of books and films about the Third Reich suggests an important new element has entered the national memory. The new theme is Germans as victims. Jorg Friedrich's *Der Brand: Deutschland im Bombenkrieg 1940–1945* ("The Fire: Germany in the Bombing War") deals at length with the horrors inflicted on civilians by the Allies' strategic bombing campaign, while giving short shrift to the Luftwaffe's own pioneering efforts in Guernica, Rotterdam, London and Coventry. Gunther Grass's new novel, *Crabwalk*, deals with the sinking of the cruise ship *Gustloft* taking refugees from Königsberg with 4,000 children aboard. *The Fall of Berlin*, by the British historian Anthony Beevor, with its powerful account of the mass rapes of German women by the victorious Red Army, has become a best seller. The film *Amen* (directed by Costa-Gavras) recounts the vain but heroic attempts by German officer Kurt Gerstain to alert the Catholic and Lutheran church hierarchy to the reality of the extermination camps.

This is not an improper rewriting of history so much as changing the angle of vision from Germans as extraordinary perpetrators of a unique evil to Germans as fellow-sufferers of a unique regime. There is something in this. Even in the election of March 1933, two months after Hitler came to power, and after the Communist Party had been driven underground and the Social Democrats and trade unions crushed, Hitler won only 17 million votes in an electorate of 45 million. With the support of their Nationalist allies, the Nazi-led coalition won 51.9 percent of the votes cast (and were somewhat surprised to have done so well. "Unbelievable figures", Goebbels confided to his diary.) But even from the underground, the Communists took over 12 percent of the vote, the Social Democrats won 18.3 percent and the mainly-Catholic Center Party took 11.2 percent. The Nazis won over 50 percent of the vote only in the lands east and north of Berlin. Throughout the Rhineland and in most of Bavaria and central Germany, they scored less than 40 percent of the vote.

It is entirely understandable that the Federal Republic should seek to present the Hitler period and the Third Reich as an aberration from which they suffered as much as other Europeans. First, this has become a habit. Throughout the Cold War, East Germany viciously claimed that West Germany was the heir to the capitalist and military-industrial complex on whose behalf Hitler had seized power and sought to crush communism both in Germany and in its Soviet homeland. This charge had to be constantly refuted, particularly after 1968, when a disturbing proportion of young Germans seemed inclined to believe it. Second, no self-respecting state can abide the debilitating thought that it represents a people eternally flawed with an extreme political version of original sin. Third, modern Germans (and their allies and partners in NATO and the European Union) have reason to be proud of the stable and prosperous democracy they have built.

So the received wisdom of modern German historiography has been dominated by Ernst Fraenkel's theory of the Third Reich as a Dual State, in which a normal, law-abiding and fundamentally

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decent German state endured, while a parasitic Nazi system with its Gestapo and SS and concentration camps grew alongside to hold monstrous sway. In this concept, the German army remained honorable and brave, while the crimes were committed by the Waffen SS. German intelligence, the Abwehr, remained efficient and reasonable (and ready to deal discreetly with the Allies) while the wickedness was perpetrated by Schellenburg's SS intelligence division, the Sicherheitsdienst. The German judicial system continued to function with an eye to legal norms, while the gross distortions of justice lay at the door of the Nazi People's Courts. Ultimately, this concept of the Dual State leads to a suggestion of Nazi guilt and German innocence, and throughout the Cold War it was convenient for the NATO allies to accede to this view.

THAT WAS not how it seemed to a number of German historians, of whom the first and foremost was Friedrich Meinecke, who produced *The German Catastrophe* in 1946. Meinecke's book pre-empted the theory of the Dual State and the Nazis as a bizarre aberration from a healthy German civilization by asking a version of Thucydides' question: If a great state falls as a result of a single battle, then what was unsound in the state to make it so oddly vulnerable? If a great civilization falls into the hands of a gang of murderously deranged thugs, then what was it in that civilization that allowed it to be so misled? Meinecke concluded that the German nation state had been poisoned from its Bismarckian birth in 1871 by militarism and an obsession with power. In his new book, *The Coming of the Third Reich*, Richard Evans, the Cambridge professor of modern history, inclines strongly to Meinecke's view. He notes of the constitution Bismarck devised for the new German Reich in 1871, "alone of all modern German constitutions, it lacked any declaration of principle about human rights and civic freedoms."

Evans has produced the first of a three-volume narrative history that promises to be a masterpiece. This first volume, which deals with the origins and establishment of the Nazi state, will be followed by a second on the building of the Third Reich until 1939, and the third will deal with the war and collapse. Evans decided to write it when he was serving as an expert witness for the defense in the celebrated libel trial of David Irving, the British historian who sued Deborah Lipstadt (and lost) for suggesting that he was something of an apologist for the Nazi regime. Evans noted that many aspects of the Nazi regime remained poorly documented, and there was "no really wide-ranging, detailed overall account of the broader historical context of Nazi policies towards the Jews in the general history of the Third Reich." Later, while serving on the British government's Spoliation Advisory Panel, weighing claims for the return of property stolen in the Nazi era, he again found that "there was no general history of Nazi Germany to which I could direct other members of the panel." He has thus produced one and has been forced to plunge into the tangled issue of the German past, the roots of Nazism and whether or not Hitlerism was quite the aberration that the Bonn and Berlin Republics insist it was.

This is a far more serious and thorough work than William Shirer's *Rise and Fall of the Third Reich*, yet it remains readable. Evans explores in some detail the nature of the Bismarckian state and the degree to which it precluded the emergence of a democratic civil society. Bismarck played the politics of divide and rule with brilliance; his legacy was to leave Germany with a schismatic electorate, separated into six main political parties. His Anti-Catholic measures had provoked the emergence of the Center Party to defend Catholic interests, whose

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votes were thus not available to buttress other parties. There were two conservative parties, one of which accepted Bismarck's merging of Prussia into Germany and one that did not. There were two liberal parties, one of which accepted Bismarck's rule that the parliament could not control the military budget, and the other that did not. And there were the Social Democrats, who were sufficiently patriotic to vote for the war credits in 1914. But the Social Democrats would never forgive the bourgeois parties for not fighting Bismarck's draconian Anti-Socialist Law (introduced after an attempted assassination of the kaiser in 1878). Thus fragmented, Germany's political institutions were ill adapted to the challenges of rebuilding the state after the defeat of 1918, the subsequent abortive revolution, and the economic collapse due to inflation.

Evans has an eye for the telling detail and the arresting anecdote. He notes that one distinctive feature of the Bismarckian state was the guarantee that every conscripted soldier who stayed on in the army to become a career non-commissioned officer would later get a secure job in the civil service, as a policeman, postal worker, railwayman or clerk. This meant that most of the representatives of the German state, particularly those with whom the public came most into contact, "behaved in the military fashion to which they had become accustomed." He explores the surge in antisemitism in the late 19th century, the bizarre warping of Darwinism into theories of racial destiny, the Wagner cult, and suggests that they grew in importance because of the social dislocations brought on by headlong economic growth. "Germany, unlike any other country, had become a nation-state not before the industrial revolution, but at its height", and so, "German society did not enter nationhood in 1871 in a wholly stable condition."

WHILE WORKING with the libel defense team against David Irving, Evans had a young research assistant, Nikolaus Wachsmann, who has now produced a fine book of his own, *Hitler's Prisons.* Subtitled, *Legal Terror in Nazi Germany*, it sharply questions the Dual State thesis by demonstrating that there was far more overlap between the traditional German judicial system and Nazi injustice than generations of German lawyers have sought to maintain. "There was a striking continuity with the Third Reich, with about 80 percent of former officials re-employed", Wachsmann recounts.

Even former members of the most lethal Nazi court, the Peoples Court, continued their legal careers in postwar Germany. In total, some 72 former judges and prosecutors from the Peoples Court were re-employed by the West German state, some of them serving into the 1970s. In view of this continuity, it is hardly surprising that not a single Nazi judge or prosecutor was convicted by his colleagues in West Germany. (The exception was the case of a few members of the civilian drumhead courts martial, who got away with very lenient sentences.) The legal system proved utterly incapable of facing its own Nazi past.

Noting that the full verdict of the Nuremberg trials was not published in German until 1996, Wachsman makes it clear that the German courts and penal institutions had much to hide, for they "played a central part in the criminalization of political dissent and the politicalization of common crime."

And yet Wachsman concludes, "the Third Reich did not become an all-out police state." There was a reason for this. Had the Nazi regime relied solely on the police and concentration camps, it would have destroyed the semblance of the rule of law vital for its popular support.

The population of the concentration camps (as opposed to the death camps)

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did not exceed the population of the conventional prison system until 1943, a time when Hitler became seriously alarmed that food rationing and the effects of the strategic bombing campaign were threatening to build a wave of internal dissent that he was determined to crush.

It is in detailed studies such as Wachsmann's that the cumulative evidence builds to suggest that the Dual State theory will not wash and that the Nazis were less an aberrant and evil parasite on a sound German culture than a symbiote of the authoritarian state system founded by Bismarck. Whether one looks at the colonial history of pre-1914 Germany and the deliberate genocide of the Hereros of southwest Africa; or at the persecution of Roman Catholics in the 1870s, which saw 225 priests in prison, the suppression of all non-nursing religious orders and the wholesale dismissal of bishops and archbishops; or at the routine press controls, or the complaisant way in which German universities in the 1930s cooperated with the purge of Jewish academics, the continuities from Second to Third Reich are striking. It is understandable that the current German government and much of the German intelligentsia seek to downplay this, but Evans's work is too powerful to be easily gainsaid.

History's Riddle

IT MAY BE said that the riddle of German history is far too important to be left to the historians. And yet others have reached similar conclusions. The novelist Thomas Mann also blamed the authoritarian Bismarckian Reich for so denying any real political space that the German middle class simply ignored politics and thus could mobilize few defenses against the Nazi assault. W.H. Auden, who called Hitler "a psychopathic god", went back much further, writing:

> *Accurate scholarship can*
> *Unearth the whole offence*
> *From Luther until now*
> *That has driven a culture mad.*

The novelist Dennis Wheatley, recruited by Churchill in 1940 as a special propagandist, contributed the idea that Germany remained essentially barbaric because it had never known the civilizing hand of the Roman Empire. Others followed Auden to focus on the occasional antisemitism and xenophobia of Martin Luther, or explored the nationalism of Herder, the idealization of the state in Hegel and so on.

Charles de Gaulle, in his 1924 book *The Enemy's House Divided*, drew on his reading of the German press as a prisoner of war from 1916–18 to conclude that the nation had suffered a shattering psychological blow. After the collapse of Russia in 1917, the German army and people had been convinced that the great spring offensives of 1918 would bring victory. When the offensive stalled and the Allied counterattacks cracked the German lines, morale crumpled:

> A sort of moral stupor all at once gripped a proud and authoritarian sovereign, a formerly tenacious government, a docile political world, a confident and resolute military command, an obedient and courageous soldiery. At a blow, as by the fatal strike of a magic wand, that stupor annihilated the warlike qualities of the German people and suddenly enlarged their faults.

But, De Gaulle added with some foreboding, the ghost of Nietzsche lingered amid the ruins of the Wilhelmine Reich:

> They voluntarily resolved to be part of that formidable Nietzchean elite who are convinced that in pursuing their own glory, they are serving the general interest; who exercise compulsion on the mass of slaves, holding them in contempt; and who do not hesitate in

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the face of human suffering, except to hail it as necessary and desirable.

The late British historian A.J.P. Taylor suggested that the fault lay in the failure of the liberal revolution of 1848—"the turning point at which history failed to turn." But Taylor noted that the great symbol of that moment of liberal nationalism, the Frankfurt Parliament, chose as its slogan, "*Einheit, Freiheit, Macht*": Unity, Freedom, Power. Even the liberals thought instinctively in terms of *Machtpolitik*.

Perhaps the most telling single contribution came from a German historian who was not looking at Nazism at all, but concentrated instead on the question of German responsibility for the outbreak of World War I. Fritz Fischer's seminal work of 1961, *Griff nach der Weltmacht* ("The Grasp for World Power"), was based on the rarely used archives of the sub-kingdoms of the German Reich who kept "embassies" in Berlin. It made a powerful case that German generals and officials wanted and deliberately provoked war as a pre-emptive strike against a fast-industrializing Russia.

Fischer's work had important implications. An important feature of the "innocent Germans, guilty Nazis" theory was that Germany has simply been unlucky. World War I was nobody's fault, or everybody's. A diplomatic crisis in the Balkans had got out of hand. The mobilization plans of the various armies then took over. Germany had to defeat France in six weeks, before sending the vast armies back by train to the Eastern Front to confront the advancing Russians. Once defeated, Germany was then unfairly blamed for starting the war and suffered punitive vengeance at the hands of the victors, which caused the great inflation that destroyed the savings of the German middle class and left the country demoralized and prostrate before the Great Depression. Adolf Hitler seemed to have the answers, not least in defeating the communists, but then led the country astray with his racial insanities and lust for conquest.

Fischer's book unpicked the first link in that chain of logic by arguing, with an impressive array of documentary evidence, that Germany had brought its ill luck upon itself by deliberately seeking war in 1914. This suggested in turn that the notorious "war guilt" clause of the Versailles Treaty had not been an outrageous imposition upon a blameless Germany, but a verdict based on historical truth. And this further implied that the Nazis had not been some inexplicable aberration from the sweet and wholesome flow of German civilization but that perhaps there was something uniquely aggressive and anti-social about the various forms of the German Reich, in 1914 as in 1933–45. If so, then Germany's neighbors might be forgiven for a lingering suspicion that Europe's richest and most populous power remains too dangerous for comfort.

BECAUSE OF Germany's history, such issues are intensely sensitive. Margaret Thatcher was not the only European who continued to see modern Germany through the perspective of World War II and the Holocaust long after those events. Her prejudices were reinforced by an unusual seminar she conducted at her country residence, Chequers, in March 1990, when she was fighting her doomed delaying action against German unification. Six academic experts on Germany and Europe were summoned to join her, as well as Foreign Secretary Geoffrey Howe and Charles Powell, her chief adviser on foreign affairs. Powell's memorandum on the session, subsequently leaked to the British press, addressed what were seen as the negative aspects of the German character. These he listed as "angst,

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aggressiveness, assertiveness, bullying, egotism, inferiority complex and sentimentality."

The list is a caricature. Nearly sixty years after the end of World War II, it should be possible to consider modern Germany apart from Hitler's shadow. But Germans themselves make it difficult to do so, because an official anti-Nazism practically defines the identity of modern Germany. In the election year of 2002, which saw the banning of a small but unpleasant neo-Nazi group, the issue of Germany's Nazi past arose repeatedly. The first was when the conservative challenger, Edmund Stoiber, demanded the retraction of the Benes Decrees of 1945, under which some 3 million Czechs of German descent were deported from their homes in the border region of the Sudetenland. Stoiber, married to a Sudeten German, outraged the Czech government and alarmed other eastern Europeans, particularly the Poles, who wondered whether the issue would put at risk the whole 1945 settlement of Europe's borders. The second arose over Israel's forthright reaction to the Palestinian suicide bombings. The deputy leader of the Free Democratic Party was driven to stand down for suggesting that, in the Palestinians' place, he too would be provoked into fighting back.

The same election year saw a cultural drama over a novel that topped the German best-seller lists throughout the summer. *Death of a Critic*, by the acclaimed writer Martin Walser, was based on the murder of a well-known Jewish literary critic by an outraged writer. The book was condemned by the country's leading newspaper, *Frankfurter Allgemeine Zeitung*—in whose pages Germany's leading (and Jewish) critic had made his reputation—as a kind of intellectual Nazism. Walser is perhaps best known outside Germany for a forthright speech, in the context of Schröder's "normal nation" policy, in which he said that it was time to stop battering Germany with "the bludgeon of Auschwitz."

"When this past is laid before me every day in the media, I notice something awakes inside me that resists such continual harping on our shame", Walser said at the presentation of the German Booksellers' Peace Prize. His remarks were made in the context of two controversies of the day: the reparation payments of German industry and banks to forced laborers from the Nazi era and the building of the Holocaust memorial in the center of Berlin.

THERE SHOULD be little surprise that history has become such an intellectual battleground in contemporary Germany and much comfort to be drawn from the liveliness of the debate. Much of this debate focuses on the work of Ernst Nolte, whose *Three Faces of Fascism* remains a classic. But in 1980, Nolte ventured into highly controversial territory with a speech that is credited with unleashing the *Historikerstreit*, the clash of the historians.

In his 1980 lecture, "Historical Legend and Revisionism?", Nolte said:

> The Third Reich should be removed from the historical isolation in which it remains. . . . The demonization of the Third Reich is unacceptable . . . . [Instead, it] must become an object of scholarship, of a scholarship that is not aloof from politics, but that is also not merely a handmaiden of politics.

So far, so reasonable. Then Nolte went further, suggesting that Hitler's assault on the Jews might have had some shred of justification:

> It is hard to deny that Hitler had good reason to be convinced of his enemies' determination to annihilate him long before the first information about the events in Auschwitz became public. . . . Chaim Weizmann's statement in the first days of September 1939, that in this

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war the Jews of all the world would fight on England's side . . . could lay the foundation for the thesis that Hitler would have been justified in treating the German Jews as prisoners of war (or, more precisely, as civilian internees), thus interning them.

In June 2000, Nolte was awarded "Konrad Adenauer Prize" for literature, one of Germany's most prestigious prizes by the Munich-based Germany Foundation (Deutschlandstiftung). In his acceptance speech, Nolte suggested that the contemporary historian "should leave behind the view that the opposite of National Socialist goals is always good and right" and asked the dangerous question "whether Hitler's antisemitism may not have had a kernel of truth [or a] . . . rational, comprehensible core."

Because the Third Reich was the "strongest of all counter forces" to Soviet communism, a movement with wide Jewish support, Nolte raised the question whether Hitler may have had rational reasons for persecuting the Jews, and suggested that there was now "a Jewish paradigm" of history, which is assuming the status of a "near-religion" of which Nazism is the "new Satan." It is at this point that the reasonable questions of the serious historian start to blend into something markedly more sinister and the prospect emerges that yesterday's history becomes a contentious factor in today's politics.

THIS IS dangerous and unpleasant ground, and Richard Evans is to be congratulated on restoring a clearly demarcated historical sensibility to what was becoming treacherous terrain. And it is striking that some of the most important new contributions to the history of the Third Reich should have come not from German but from Anglo-Saxon historians: The British contribute Evans, and Kershaw's two-volume life of Hitler (*Hubris, 1889–1936* and *Nemesis, 1936–1945*), and Michael Burleigh (*The Third Reich*) is a worthy American contender who reminds us constantly that there was something deeply evil at the heart of the Nazi project.

This is not to say that Gerhard Schröder, the posthumous, and thus innocent, son of a Wehrmacht corporal, should not have been invited to the commemoration at the Normandy beaches this year. Nor is it to say that Ernst Nolte's questions are not worth pondering. There were, after all, influential people and currents of thought in Britain, France and the United States in the 1930s who found Hitler's ideology to be quite congenial. Nor is it to say that the Third Reich was unique in its modern evil. Stalin's GULAG regime was an equally hideous twin whose victimization of the class enemy was just as wicked as Hitler's assault on his racial and social enemies. But it remains remarkable that the most thorough and intellectually penetrating studies of the GULAG and of the Third Reich have come less from the Germans and Russians who were heirs to Nolte's "great ideological civil war" but from British and American writers such as Robert Conquest, who are products and heirs of the liberal democracies that confronted and overwhelmed Nazism and communism alike. That remains the signal challenge to German (and Russian) historians for the future, and it should be an enduring concern for the Schröders and the Putins to ponder as they congratulate themselves that their presence at the D-Day events implies that they have finally escaped from the dreadful burden of history. They have not. We never do. □

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Pride and Prejudice

Paul Hollander

Jean Baudrillard, *The Spirit of Terrorism* (London: Verso, 2002), 105 pp., $13.

Ian Buruma and Avishai Margalit, *Occidentalism: The West in the Eyes of Its Enemies* (New York: Penguin Press, 2004), 165 pp., $21.95.

Alan McPherson, *Yankee No! Anti-Americanism in U.S.-Latin American Relations* (Cambridge, MA: Harvard University Press, 2003), 257 pp., $39.95.

Clyde Prestowitz, *Rogue Nation: American Unilateralism and the Failure of Good Intentions* (New York: BasicBooks, 2003), 328 pp., $26.

Jean-François Revel, *Anti-Americanism* (San Francisco: Encounter Books, 2003), 176 pp., $25.95.

ANTI-AMERICANISM poses a paradoxical problem. It is visibly more widespread today than when the Soviet Union was producing a steady output of anti-American propaganda. Admittedly, there were always spontaneous anti-American sentiments throughout the world quite independent of Soviet inspiration. Still, the Soviet collapse might have been expected at least to weaken anti-Americanism. That has not been the case. Indeed the Soviet collapse could not even put an end to the anti-capitalism that has always been key to anti-Americanism. Instead they re-emerged, apparently stronger than ever, and joined together in anti-globalism.

HOW CAN this be explained? Anti-Americanism can best be understood by holding two seemingly incompatible propositions in balance. The first is that hostility towards the United States is a rational and justified response to its actual flaws and misdeeds—to the unsettling processes of modernization it sets in motion, to the discernible defects of American social institutions, and to the social injustices prevalent in American society. The bill of particulars in foreign policy includes alleged or real American intervention in the internal affairs of countries around the world, a bloated, imperialistic military establishment (the major instrument of such interventions), economic exploitation of poor, third world countries, the ravaging of the natural resources of the world causing serious environmental damage, and the corruption of the masses by mindless entertainment. In domestic policy, the indictments emphasize racism, sexism, immense economic inequalities and rampant commercialism.

The second proposition holds that anti-Americanism is a largely irrational predisposition somewhat similar to racism, sexism, antisemitism and other scapegoating impulses. Thus, virtually any widely shared group grievance can become a source of anti-Americanism since all such grievances are easier to bear if some familiar, powerful and prominent entity can be held responsible for them.

There are also domestic variants of anti-Americanism. They tend to be deeper, more visceral and more difficult to grasp than foreign forms of anti-Americanism since the latter are often

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connected with more tangible and identifiable collective grievances. More often than not, anti-Americanism is also associated with the adversary culture. The angry anti-Americanism of individuals like Noam Chomsky, Michael Moore, the late Edward Said, Susan Sontag or Gore Vidal has a certain unfathomable purity. Its defining characteristic is the unshakeable belief that the United States (or American society) represents something uniquely, self-evidently and matchlessly depraved and evil that has no parallel in history.

Both domestic and foreign anti-Americanism have a complex and close relationship with each other, providing mutual support and inspiration. The phenomenal success of Moore's *Fahrenheit 9/11* in Europe is a good example.

It is not easy to separate the reasonable critiques of particular American institutions or policies from a virulent, scapegoating anti-Americanism. Sometimes justified critiques merge with the diffuse, undifferentiated hostility. But it can be done—and the volumes reviewed here represent varying degrees of success in that endeavor. They also represent but a small sample of the growing literature on anti-Americanism ranging from the purest example of the visceral kind (Baudrillard) to the energetic refutation of such attitudes (Revel). In between are more specialized and scholarly explorations, such as the examination of how the phenomenon has been stimulated (allegedly) by the Bush Administration (Prestowitz) and a historical study of three episodes of Latin American anti-Americanism (McPherson). There is finally a study of the connections between the longstanding Western critiques of the West (closely tied to anti-Americanism) and more recent non-Western rejections of the West (Buruma and Margalit).

J.F. Revel is perhaps a good starting point since he sets out to anatomize the anti-American phenomenon. His credentials are that he is a well-known and long-time critic of those Western intellectuals hostile to Western values and institutions and that he has written perceptively about American society in the past.[1] In this passionate polemic directed principally at a French audience, he focuses on the important and influential French variety of anti-Americanism. Much of the book is a critique of contemporary France, its politics and elites seen through the prism of their attitudes towards America. And a paradox that emerges from his argument is that many of the actual problems and flaws prevalent in French society mirror those supposedly peculiar to the United States.

Yet the book is more a rebuttal of the assertions of anti-Americans than an inquiry into the sources of anti-Americanism. One theme running through the book is that the hostile critiques of America are often contradictory. Thus the United States is criticized both for "unilateralism" (throwing around its weight without consulting or cooperating with other nations) *and* for "isolationism" (not doing enough to solve or alleviate various problems around the world). Revel also demonstrates how anti-globalism and anti-Americanism have converged into a single ideological phenomenon. There is a persuasive refutation of the "root cause" argument that seeks to mitigate or excuse terrorism. Revel convincingly demolishes the idea that poverty causes terrorism.

Of particular interest to American readers is his reminder that anti-Americanism is also prominent on the European Right. Right and Left are united in a shared contempt for liberalism, which the United States represents—at any rate in its old-fashioned incarnation. The anti-Americanism of the Right (in France and elsewhere) is closely linked to its nationalistic tendencies. As elsewhere in Europe, it vilifies the United States because of its multiculturalism and open-

[1]Revel, *Without Marx or Jesus* (1970).

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ness to new immigrants at a time when western European countries face large numbers of unwanted immigrants as well as serious problems in assimilating those already within their borders. (Arguably, Islamic anti-Americanism is much closer to the right- than left-wing variety.)

While most of the substantive arguments in the book are on target, some of its bolder assertions could have been documented more carefully for the benefit of skeptics. It is noted, for instance, that in 1994, at the height of a famine, North Korea purchased forty submarines from Russia. I do not doubt for a moment that buying weapons took precedence over feeding the population, but I find the figure of forty (even if diesel) submarines rather large and would have welcomed information on where it came from. Also, even Revel's strong points might have been conveyed in a less-overheated polemical style. His often heavy-handed sarcasm will find favorable reception mainly among those who already share his premises. His tone suggests that much of anti-Americanism is so patently absurd that it can be easily discredited. This overlooks real failings in American society.

In particular, Revel ignores the substantial flaws of American mass culture—a potent source of anti-Americanism among both European intellectuals and Muslim clerics. He dismisses the notion that Hollywood is "the capital of bad taste, vulgarity and banality"—a characterization that may be exaggerated, but it resonates in many a civilized breast. It is of course true that American mass culture is popular and widely imitated all over the world, but that says little about its quality or about its impact. It is the very ubiquity of, say, MTV that alarms tradition-minded parents outside America. Unlike similar parents inside America, moreover, they have no wider knowledge of the United States that would allow them to put MTV into the context of a society that also has first-rate symphony orchestras, fine museums, first-class bookstores and various other barriers and alternatives to the mindlessness of much of American popular culture.

DESPITE THESE reservations, Revel acquaints the American reader with the specifics of a particular French anti-Americanism represented all too well by Jean Baudrillard at the other end of the ideological spectrum. Indeed, this fellow countryman of Revel may be said to incarnate the excesses of a convoluted anti-Americanism embedded in an opaque postmodernist jargon. For instance he writes about 9/11:

> When global power monopolizes the situation . . . when there is such a formidable condensation of all functions in the technocratic machinery and when there is no alternative form of thinking allowed, what other way is there but a *terroristic situational transfer*? . . . Terrorism is the act that restores an irreducible singularity to the heart of a system of generalized exchange.

Nor is clarity restored by the assertion that "it was, in fact, [the towers'] symbolic collapse that brought about their physical collapse . . . ."

While much of this small volume is impressively impenetrable, argument occasionally breaks out. But this is only a modest improvement. Baudrillard leaves no doubt that in his view the United States bears the responsibility for 9/11:

> [I]t is that superpower which, by its unbearable power, has fomented all this violence which is endemic throughout the world . . . . [W]e have dreamt of this event [9/11] . . . because no one can avoid dreaming of the destruction of any power that has become hegemonic to this degree . . . .

Baudrillard's anti-Americanism stems in part from his horror of a globalization that is promoted by a "hegemonic" United States. Unfortunately, his argu-

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ments unoriginally repeat neo-Marxist critiques of capitalist mass society: "the mission of the West . . . is to subject the many different cultures by any means available . . . ." When conducted by military means, the objective of globalization "is to quell any refractory zone, to colonize and tame all the wild spaces whether in the geographical space or in the realm of the mind." And so on and so on.

Well before 9/11, however, Baudrillard had assembled the full range of anti-American clichés in his 1988 travelogue of the United States. He then observed, for example,

> America is a world completely rotten with wealth, power, senility, indifference, puritanism and mental hygiene, poverty and waste, technological futility and aimless violence . . . the only country where quantity can be extolled without compunction . . . .

Baudrillard equated air-conditioning, freeways and supermarkets with inauthenticity. This inauthenticity extended even to what he perceived as purified garbage: "The country is without hope. Even its garbage is clean, its trade is lubricated, its traffic pacified . . . ." There was an "insane ease of life, to counteract the hyperreality of everything . . . ."[2]

No wonder the Twin Towers emerged in his mind as the most potent symbols of globalization, inauthenticity and all. Whatever it reveals about America, *The Spirit of Terrorism* certainly testifies to the capacity of some intellectuals to misinterpret reality in obscure and empty verbiage.

A MORE judicious critic is Clyde Prestowitz, who accounts for the recent upsurge of global anti-Americanism in a fairly conventional way. Prestowitz, a former U.S. trade representative in the Reagan Administration, is not himself animated by anti-American sentiments. And he may not sense the powerful psychological factors at its roots. So he is tempted to explain—or explain away—anti-Americanism both as a response to the policies and attitudes of the current Bush Administration and as a response to the United States' rise to become the sole superpower. Accordingly he wishes to explain "to baffled and hurt Americans why the world seems to be turning against them and also to show foreigners how they frequently misinterpret Americans' good intentions."

Yet as it proceeds, Prestowitz's book amounts to a survey of what the United States has done wrong and how its actions and attitudes stimulate rejection and hostility abroad. The author faults the United States under Bush as being too assertive, arrogant, unilateralist, militarist and propelled by a missionary zeal and a belief in "being exceptional and apart from the rest of humankind, a special chosen people. . . ." More specifically, he "often felt that America's differences with the world could be largely explained in four words: Israel, Taiwan, religion and lobby."

"Religion" here does not mean Islamic religious fanaticism, however, but *American* religious fundamentalism. This is blamed for stimulating a Manichean view of the world and a wrongheaded moralism in U.S. foreign policy. Similarly, in the Arab-Israeli conflict, Prestowitz blames the Israel lobby and finds the Palestinian case far more compelling than that of Israel. He gives every benefit of doubt to Arafat, who is among the many people he interviewed for the book. He also offers a spirited defense of Saudi Arabia against its detractors.

Much of his methodology relies on recounting conversations with a wide variety of prominent figures around the

[2]Baudrillard, *America* (London and New York: Verso, 1988), pp. 73, 23, 78, 23, 87, 66, 104, 121–22, 125.

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world, from the prime minister of Malaysia to George Soros. All of them turn out to be critical of U.S. policies. The interviews convey the unmistakable implication that if such a wide range of important and influential people object to American policies, well then, the objections must be well founded and the policies accordingly mistaken. Occasionally, Prestowitz approaches the subject in a judicious "on the one hand and on the other" spirit, but the critiques of U.S. policy invariably overwhelm the defenses.

Lively and well written, Prestowitz's volume highlights the irritants which impede relations between the United States and other nations. But it fails to come to grips with the deeper, less rational aspects of anti-Americanism.

Doubtless many of the U.S. policies here surveyed contribute to anti-Americanism. But these policies by themselves cannot sufficiently explain these widespread anti-American attitudes (many of which predate the Bush Administration). One may doubt that if, say, the United States had ratified the Kyoto Treaty, signed the landmine treaty, endorsed the International Criminal Court, become generally more supportive of the UN, put more pressure on Israel, given up any pretense of defending Taiwan against a Chinese attack, and pursued a more sensible energy policy—these steps would have made a huge difference to those who are persuaded, on ideological, religious or political grounds, that this country is the embodiment of all evil.

OF ALL THE varieties of anti-Americanism, the Latin American types have been most obviously determined by historical factors. *Yankee No!* is a historical case study of particular types of anti-Americanism (revolutionary, conservative, episodic) which erupted in Cuba in 1959, Panama in 1964 and the Dominican Republic in 1965. Each of these, according to the author, was "a milestone in the history of anti-Americanism." They have had the closest connection with the policies of the United States and have exhibited the "diversity of grievances against U.S. power."

In line with the author's "case by case" approach, he shows a reluctance to offer generalizations aside from suggesting that anti-Americanism has three features: *variability, ambivalence* and the resilience of the U.S. responses it generates. Two of these features are clear enough. But is not clear how or why U.S. "resilience" to manifestations of anti-Americanism could be a defining feature of the phenomenon itself. But he may have perceived a real link when he writes that anti-Americanism "has been an idealistic but confused resistance to idealistic but confused U.S. foreign policies."

More debatable is the author's assertion that "the political and intellectual Right has done most to sabotage serious thinking about anti-U.S. sentiment by overusing the term and exploiting its inherent negativity." He supports this by reference to the writings of this reviewer, objecting to my "paint[ing] anti-Americanism as a pathology." While I certainly emphasized that it is a "hostile predisposition" involving non-rational elements, I also took pains to stress (as in this review) that a wide range of well-founded criticisms can be made of U.S. foreign policy or domestic American institutions. McPherson concedes this point when he writes,

> even for supposedly more 'rational' critics [of the United States] . . . it has proved extremely difficult to escape generalities about the United States—that all of its foreign policies were unilateral, that all its companies are exploitative, that all its culture vulgar, and so on.

All of which surely suggests a hostile predisposition.

Yankee No! concludes by arguing that

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in the wake of 9/11, it is of particular importance "to understand that anti-Americanism has not been a pathological prejudice but a complex cultural and political concept that merits serious treatment by historians." Actually 9/11 suggests that it can be both of these things.

AMONG THE books here reviewed, *Occidentalism* is the most original and insightful. In a short space it presents the core beliefs associated with the anti-Western outlook—namely, the "Occidentalism" of the title (of which anti-Americanism is a major part). Occidentalism is the counterpart of the better known concept of "Orientalism", which in the late Edward Said's formulation was a wrongheaded and demeaning collection of Western ideas about the East. Time has certainly come to show that a more powerful, influential and destructive counterpart of Orientalism can be found in Occidentalism: "the dehumanizing picture of the West painted by its enemies . . . ." Central to this vision is the image of the West as an unheroic, "machine-like society without a human soul." Components of Occidentalism include hostility to the city, to science and reason, trade, materialism, "commodified human relations" and the self-interest they promote. Occidentalism in particular "reflects the fears and prejudices of urban intellectuals who feel displaced in a world of mass commerce."

What this study also shows is that Occidentalism, while most influential today in the non-Western, Islamic world, has been greatly influenced by—if not altogether derived from—*Western ideas about the West*. The authors acknowledge that "Islamism [is] the main religious source of Occidentalism in our time." But they go on to argue that "today's suicide bombers and holy warriors don't suffer from some unique pathology but are fired by ideas that have a history." Western influences on non-Western Occidentalism include German romanticism, Russian Slavophilism and certain strands of Marxism:

> Ninenteenth-century Russian nativist thinkers, loosely termed Slavophiles, have provided a model for national or ethnic spiritual attacks on Western rationalism that was followed by generations of intellectuals in other countries, such as India, China and Islamic nations . . . . [In turn,] Russian Slavophilia was rooted in German Romanticism . . . . [I]t was a common Romantic belief that excessive rationalism caused the terminal decay of what was once the vital organism of the West. . . . Wars against the West have been declared in the name of the Russian soil, the German race, State Shinto, communism and Islam.

What the authors also show, however, is that anti-Western hostility is stimulated not only by Western ideas, but also by their failure. In particular, "the most violent forms of Occidentalism" (such as we encounter at the present time) were born from the failures of the non-capitalist alternatives to modernity attempted in countries such as Egypt, Iraq, North Korea, Ethiopia, Cuba, China, Vietnam and others.

All this is powerful and provocative. But the suggested continuity between the suicide bombers and 19th-century Romantic thinkers (among others) is not without problems. Islamic religious convictions—converted into murderous and suicidal violence—add a unique dimension, indeed a pathology, to the loathing of the West resembling earlier sources (Romantics, Slavophiles, and sundry guardians of tradition and critics of mass society, depersonalization, alienation, the cash nexus, and other afflictions of modernity). While Western self-loathing and guilt have helped to legitimate non-Western rejections of the West, the trajectory of ideas from Western Romanticism (highly

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individualistic, extolling passionate personal relationships, sensual gratification and so on) to traditional Islamic beliefs (anti-individualistic, puritanical, stressing other-worldly gratifications and the like) is a long and roundabout one. Occidentalism, in all its varieties including anti-Americanism, "is a tale of cross-contamination, the spread of bad ideas." These bad ideas come from several different cultures.

ALL THE BOOKS here discussed support the suggestion that anti-Americanism can best be grasped by recognizing the wide range of circumstances and conditions associated with it. One likely source of its recently renewed strength, however, is the passing of the superpower status from two countries to one. The United States has thereby become a more plausible and inviting target for a wide range of grievances and discontents: global, national, religious and ethnic. As Revel writes:

> The United States is charged with all the evils, real or imagined, that afflict humanity, from the falling price of beef in France to AIDS in Africa and global warming everywhere. The result is a widespread refusal to accept responsibility for one's own actions.

It is almost certainly the other way round: The refusal to accept responsibility predisposes people to search for a scapegoat.

A particularly striking example of these trends has been the recent intensification of violent Islamic anti-Americanism culminating in 9/11. Arab grievances against the West, and especially its two key representatives (from the Arab point of view) Israel and the United States, have been long-standing. These grievances apparently intensified in the wake of the failed Oslo "peace process" that raised Arab expectations without gratifying them. Of late, anti-Israeli sentiments have been transferred to the United States, owing in part to its firm support of Israel and because it is the leading force of modernity in the Middle East.

This brand of anti-Americanism further increased after 9/11 in response to American actions against terrorism. American military assertiveness has always been repugnant to those convinced that the United States is the real "evil empire" and deserves all the blows struck against it. Thus the hostile critics of America at home and abroad embarked with earnest relish on explaining why 9/11 and other anti-American acts of terror could only be blamed on the United States since it embodies the "roots causes" of virtually everything wrong with the world.[3]

Two additional phenomena helped to raise level the of anti-Americanism in recent times: the increased political and economic competitiveness of the European Union (combined with its declining military power and political will) and the personality of President Bush. Both at home and abroad, George W. Bush has stimulated an extraordinary amount of hostility and is widely seen as personifying everything wrong with American society, culture and foreign policy. He was even designated in European opinion polls as a greater threat to world peace than Saddam Hussein. This personal anamosity has crystallized European objections to American power—and helped to justify the idea of the European Union as a "counterweight" to it.

But the most important underlying explanation of anti-Americanism is that the United States remains the leading embodiment of modernity—a condition at once widely desired and yet deplored the more it is realized. Hence the United States is inevitably seen as a global force for destabilization—undermining traditional values, communities, institutions

[3] I examined some of these attitudes and their expressions in "The Resilience of the Adversary Culture", *The National Interest* (Summer 2002).

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and understandings of the world. This particular charge is well grounded. But it arises from the less well understood fact that the discontents of modernity are unintended consequences of the processes eagerly embraced. Not all good things go together: The advances of medical science lower mortality rates, which leads to overpopulation; the greater availability of consumer goods leads to a "consumerism" felt to be aesthetically and psychologically undesirable; access to nature contributes to its degradation; the freedoms associated with modernity leave people with bewildering choices; individual freedom and social isolation are often closely related; the freedom to choose among competing religious beliefs and denominations dilutes religious commitments and deprives people of taken-for-granted beliefs; social and physical mobility undermine the community; the liberation of women contributes to rising divorce rates; and so on and so forth.

And these discontents are aggravated by the historical fact that this country has been a repository of high ideals from its earliest beginnings. Its very existence is in large measure a result of collective efforts to create a society morally and materially superior to all others in history. Such ideals can never be fully realized—and they make the most successful achievements look inadequate and even hypocritical. America could avoid the hatred of anti-Americanism either by failing economically and socially or by becoming a "normal" country with no sense of mission. As long as the United States continues both to preach and prosper, however, it must reconcile itself to being heartily disliked. □

Paul Hollander's books include *Anti-Americanism* (1992, 1995) and *Discontents: Postmodern and Postcommunist* (2002). He also edited *Understanding Anti-Americanism*, published by Ivan R. Dee in summer 2004.

Essay

The Realistic Roosevelt

Tom Parker

THEODORE Roosevelt's foreign policy career lends itself easily both to hagiography and hostile caricature—particularly in a presidential election year. American advocates of the robust use of military force to deal with current challenges ranging from the terror threat to China often cite Roosevelt as a model statesman who wielded military power unapologetically and unilaterally for the sake of the national interest and thus see TR as the precursor of "national greatness conservatism." His swagger is best captured in his ultimatum to the kidnapping of an American citizen, Ion Perdicaris, by Ahmad ibn Muhammad Raisuli, a Moroccan warlord: "We want Perdicaris alive or Raisuli dead." Carving Panama out of Columbia, winning a difficult counter-insurgency campaign in the Philippines, and warning Japan with the display of the Great White Fleet were successful policies that can guide the conduct of a second Bush Administration or any other.

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In contrast, liberal detractors are uniformly critical of Roosevelt's perceived arrogance. For example, his aggressive policies in Central America fostered an anti-Americanism that bedeviled U.S. relations with the region through to the 1980s. He (and by implication President George W. Bush) belongs to the 19th-century age of imperialism with its black-and-white verities rather than to the more complicated, multilateral world of today.

While there is some truth to both of these images before he became president, Roosevelt in office preferred to "speak softly and carry a big stick" rather than make good on the braggadocio of his younger days. He carved out Panama as a last resort, not a first; regretted the annexation of the Philippines; and sought to accommodate, as well as to warn, Japan. Thus the lessons that Roosevelt has to impart for today are those of a statesman who combined periodic audacity with methodical political realism.

Early Years

THE "UNILATERALIST" advocates of Roosevelt can certainly cite his early years to buttress their case. While initially a sickly, asthmatic boy, Roosevelt took up boxing lessons as a teenager to stop other boys from picking on him. By his twenties, he had developed a reputation as a walking battering ram, who once leaped off a horse out west "into a pack of hounds, kicked them aside and knifed a cougar to death." Not surprisingly, this combative and self-confident Roosevelt shared the prevailing Victorian political ideology of "Anglo-Saxonism", the belief that European peoples, and particularly North Americans and Britons, had a right and duty to expand throughout the world to spread their superior institutions and values.

Roosevelt and his expansionist friends, led by Senator Henry Cabot Lodge, lobbied successfully for his appointment as Assistant Secretary of the Navy after McKinley's victory in 1896—despite McKinley's views that TR was too pugnacious. Coming to office several years into the Cuban insurgency, TR's top priority was expelling Spain from the Americas, but he had to contend with a variety of naval war plans on how to do it. In the event of war, the Office of Naval Intelligence advocated an attack on not only Cuba but also the Philippines to force a Spanish war indemnity and to tie down their fleet. The Naval War College planned for a defensive coastal war if Britain joined Spain in defending Cuba, but an attack against Spain itself if Britain stayed out. Typically, TR favored the most aggressive option—attacking Spanish forces more or less everywhere.

The relatively easy, six-week war produced euphoria, even hubris, which bolstered those, including Roosevelt, who wanted to annex the Philippines from Spain. What was missing was an analysis about the islands' intrinsic importance and whether the United States could defend them (not to mention Wake Island and Guam, which were also taken), against a rising Japan. The predominant temper of the times, the expansionist "Anglo-Saxonism", resulted in a decision that Roosevelt would come to regret deeply.

Roosevelt as President

AS PRESIDENT, Roosevelt would move beyond the simple bromides of Anglo-Saxonism, which saw expansionism as an end in itself. While he would sometimes resort to bold and even ruthless "unilateralism", as he did in creating the Panama Canal, his main focus was encouraging a favorable balance of power in Europe and Asia through diplomacy that recognized the limits as well as the possibilities of growing American power.

Europe: Roosevelt's growing sophistication was demonstrated by his changing

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attitude towards Great Britain. In 1895, Britain, recognizing that it was overextended in the face of a more powerful Germany, adopted a conciliatory strategy towards the United States during the boundary dispute between British Guyana and Venezuela (an example of a strategic change of direction in response to an incident of intrinsically minor importance). During the Spanish-American War, Britain, as part of this new strategy, sold coal and ships to the U.S. Navy and allowed Dewey to communicate with Washington via the undersea cable in Hong Kong—not unlike the low-profile support that the United States was to provide Britain during the Falklands War. As a result, Assistant Secretary of the Navy Roosevelt approved the Naval War College's decision to hold its last war-gaming exercises involving Britain as a potential adversary in 1899.

Roosevelt's increasingly positive views about Britain were reflected in his attitude towards the Boer War (1899–1902). While he felt that "American values" favored the underdog Boers, he knew that his country's interests favored the British, and as someone who was now increasingly a geopolitical realist, he ranked the strategic pursuit of American interests as his top priority: "If the British Empire suffers a serious disaster [in the Boer War], I believe in five years it will mean a war between us and one of the continental European military nations", he wrote to a British friend. Thus, by the time Roosevelt became president, he had given up his youthful musings about expelling Britain from Canada.

In another sign of growing maturity, Roosevelt took a relatively conciliatory approach to one of his first foreign policy challenges, the Alaska Boundary Dispute. This border dispute between the United States and Canada, which had developed with the discovery of gold in the 1890s, came to a head in 1902. After Roosevelt concluded that he could no longer ignore the issue, he sent U.S. troops to the border, but "as quietly and unostentatiously as possible." He also agreed to the British idea of an arbitration tribunal and rejected the more hawkish Lodge's advice to break off negotiations with London. A tribunal eventually ruled in America's favor, thereby removing an important obstacle to the growing U.S.-British rapprochement. By the end of his presidency, Britain was sharing detailed military intelligence with Roosevelt and the U.S. Navy on its new Dreadnought-class battleships to ensure that America would keep abreast of the latest technical developments. As a result of TR's moderate stance towards Britain's interests in North America, the United States gained a new international partner.

Roosevelt would also come to conclude by the time of his presidency that Germany had become the most serious potential threat to U.S. interests. As a result, he took a hard but subtle line toward German assertiveness during the Moroccan Crisis of 1905–06, when Berlin pushed for a role in governing Morocco in order to undermine the French-British entente of 1904 by demonstrating that London would not risk war to support Paris. Privately, Roosevelt supported the French position and urged Britain not to waiver. He flattered the kaiser's "restraint" in their correspondence while warning the German ambassador that he might regretfully have to publish selected letters. Throughout the confrontation, Roosevelt hardly acted as the blustery "cowboy" of the Spanish-American War period.

Asia: Though Roosevelt believed in maintaining a balance of power in Asia, the region presented a difficulty not found in Europe: The title of dominant power was constantly changing hands. Before becoming president, Roosevelt initially was most concerned with Germany after friction over Samoa in 1889. His concerns shifted towards Japan after it sent a cruiser to Honolulu in response to the expulsion

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of a thousand Japanese illegal immigrants in 1897. His focus would then shift to Russia, which moved its military forces into Manchuria in 1901.

As a result, Roosevelt was initially pleased with Japan's military victory over Russia at Port Arthur in 1904. At the same time, Roosevelt wrote to Lodge that he wanted a balance of power between these strongest Asian powers:

> While Russia's triumph would have been a blow to civilization, her destruction as an eastern Asiatic power would also in my opinion be unfortunate. It is best that she should be left face to face with Japan so that each may have a moderative action on the other.

After months of mediation, Russia accepted his advice that it give up its attempts to recapture its lost territory, and Japan abandoned its insistence on an indemnity, thereby ending the war and winning him America's first Nobel Peace Prize.

With Japan firmly established as the leading naval power in the western Pacific, Roosevelt reacted with scrupulous public respect, diplomatic accommodation and subtle military threat. When a period of tension erupted after the California legislature segregated white and Japanese students in the San Francisco school system in 1906, Roosevelt publicly criticized the legislature's actions and informed the Japanese that they did not represent those of the U.S. government. Roosevelt also sought to accommodate Japan's rising power by not challenging its new presence in Korea or its probing in southern Manchuria. Roosevelt subsequently wrote to Taft:

> As I utterly disbelieve in the policy of bluff, in national and international no less than in private affairs, or in any violation of the old frontier maxim, 'Never draw unless you mean to shoot', I do not believe in our taking any position anywhere unless we can make good: and as regards Manchuria, if the Japanese choose to follow a course of conduct to which we are adverse, we cannot stop it unless we are prepared to go to war, and a successful war about Manchuria would require a fleet as good as that of England, plus an army as good as that of Germany.

Roosevelt felt that as long as Japan had to expand it was preferable that it expand into the Asian mainland, where it would bump up against Russia and China, rather than seek gains in the Pacific, where it would clash with the United States and Britain. Though not a heroic policy, Roosevelt's acquiescence in Japan's position in Korea and southern Manchuria made sense, given the limits of American power.

At the same time, Roosevelt sent the entire U.S. fleet around the world for the first time ever during his last year in office as a signal to Japan of American military power and as a means of testing the readiness of the U.S. fleet and of building domestic support for a strong defense. He insisted that the visit to Japan be performed with utmost courtesy, but he hoped that the spectacle of a three-mile line of modern battleships would have a sobering effect on Japanese militarists. Japan's welcome to the fleet and its gift of cherry trees to Washington, DC, several years later—a symbol of its interest in a relaxation of tensions—would prove him right. He also ordered the fleet to visit Australia and New Zealand, the first implicit commitment by the United States to their defense.

Ruthlessness and Restraint

ROOSEVELT'S changing attitude towards the Philippines best illustrates his greater maturity as president: He initially defended the squalid counter-insurgency campaign against Philippine guerrillas that he inherited from McKinley and turned a blind eye to American atrocities—probably the most morally reprehen-

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sible act of his political career—until they were made public in the Gardner Report towards the end of the war in 1902. Roosevelt, however, began to rethink the U.S. military presence after the Russo-Japanese War established Japan as a true Pacific power. He began to advocate privately either a serious congressional funding effort to defend the Philippines, assuming that any defense were possible, or granting them independence in order to withdraw U.S. troops. In a 1907 letter to Secretary of War Taft, he lamented:

> I don't see where they are of any value to us or where they are likely to be of any value. . . . The Philippines form our heel of Achilles. They are all that makes the present situation with Japan dangerous. . . . Personally I should be glad to see the islands made independent.

Yet, there was too much congressional and public support for maintaining a U.S. presence after the sacrifices of the war.

Liberal historians bridle at Roosevelt's putative arrogance in helping to create the Panama Canal and see it as the return of the impulsive "cowboy" and a clear violation of international law—something that admittedly never concerned Roosevelt. Yet Roosevelt proceeded on the issue of Panama in a very methodical manner, unlike in 1898. He negotiated a treaty with the Colombian government only after making a careful study of the comparative advantages of a Nicaraguan canal. It was only after the Colombian parliament rejected the treaty that he decided to support independence for the province of Panama. Even here, he first sought legal opinion to justify intervention based on an American treaty with Colombia of 1846. Privately he told his advisers that he supported an uprising "but for me to say so publicly would amount to an instigation of a revolt, and therefore, I cannot say it." When he sent naval ships towards Panama to deter Colombian intervention, he did so without fanfare. Partly as a result, international reaction to the successful revolt was largely positive or neutral, even in Latin America; only in Germany did the press warn about the "master" expansionist.

Nor was the creation of Panama an exercise of power for its own sake. Roosevelt knew that if the United States had to continue to maintain Atlantic and Pacific fleets, neither would be strong, as Russia learned in the Russo-Japanese war. This predicament was driven home during the Spanish-American War: The battleship USS *Oregon* took 67 days to go from San Francisco—where it was when the USS *Maine* exploded—to the Battle of Santiago Bay in the Caribbean, for which it arrived only just in time. The trip would have taken about two and a half weeks if there had been a canal.

Aside from Panama, Roosevelt was quite moderate in his use of American power in the Caribbean, contrary to his reputation among liberal historians. He withdrew American forces from Cuba in 1902, as had been promised, and turned aside the Dominican Republic's overtures for annexation in 1904: "I have about the same desire to annex it as a gorged boa constrictor might have to swallow a porcupine." In 1906 he initially turned aside requests for intervention by both opposing political factions in Cuba and ordered the withdrawal of American troops that had been landed there without his authorization by an American naval commander. Roosevelt reluctantly intervened militarily after the Cuban government collapsed. He chose a civilian judge, who never flew an American flag, rather than a military officer to govern. Roosevelt withdrew American troops three years later, after peaceful elections.

Even the response to the kidnapping of Perdicaris—the one use of American power by Roosevelt that did recall the gunboat diplomacy of the Spanish-American War—was more complicated than at first glance. For all the theatricality of the one line threat about Perdicaris

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and Raisuli—which was written by Secretary of State Hay, not Roosevelt—America's response was relatively measured. Roosevelt initially asked Hay to explore the possibility of a joint military expedition with Britain and France. And Hay's next line in his cable to the American consul—which was not read to the Republican Convention—was a moderate caution: "Further than this we desire least possible complications with Morocco or other powers." Nor presumably were Roosevelt's martial inclinations increased after learning that Perdicaris had renounced his citizenship to avoid paying taxes during the Civil War.

Creating the Big Stick

ONE THING that all students of Roosevelt can agree on is his remarkable interest in his country's military. After college, Roosevelt published a book in 1882 on the U.S. Navy during the War of 1812, which was placed on every American naval ship soon after and is still considered one of the best books on the subject. As Assistant Secretary of the Navy, he wrote to Secretary Long about Samuel Langley's successful experiments using steam-powered model planes: "It seems to me worthwhile for this government to try whether it will not work on a large enough scale to be of use in event of war." As president he succeeded in getting an average of two battleships a year authorized, in addition to many smaller vessels. He also descended in one of the Navy's new submarines to the bottom of Long Island Sound, taking control of the vessel at one point. Roosevelt's idea of light entertainment was to sail out in his presidential yacht in the sound to analyze the target practice of the Atlantic fleet.

Thus, as he welcomed home the Great White Fleet in 1909 just before leaving the presidency, Roosevelt probably recalled that the U.S. Navy had gone from being the world's 12th-largest fleet, when he wrote his book on the War of 1812, to the fourth or fifth largest by the beginning of his presidency, to the second largest by the end of it. Roosevelt must have taken great pride in knowing that three-quarters of the battleships that passed before his presidential yacht had been built during his administration.

Missed Opportunities

DURING World War I, Roosevelt became Woodrow Wilson's most vociferous critic. He urged an aggressive military response to German attacks against American vessels and despaired of the public ever being willing to mount the total war effort that he favored. After hostilities were declared, he encouraged his four sons to fight—two were wounded and one was killed—and sought Wilson's permission unsuccessfully to lead a U.S. Army division into combat.

Roosevelt favored a decisive military victory against Germany, implying that he was ready to push into Germany itself. At the same time, the geopolitician in him anticipated the dilemmas of the post-World War II period. Several days after the war broke out, he wrote to an English friend: "If Germany is smashed it is perfectly possible that later she will have to be supported as a bulwark against the Slav by the nations of western Europe." Like Churchill towards the end of World War II (and unlike President Franklin Roosevelt and General Eisenhower), TR had the ability to pivot quickly from one potential adversary to another, a hallmark of a political realist.

Historians believe that Roosevelt would have had a reasonably good chance of getting the Republican nomination and winning the election in 1920 at the age of 62 if he had not died unexpectedly in 1919. The prospect of another Roosevelt presidency probably would have convinced Lodge not to scuttle the League of

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Nations. And while even as charismatic a leader as Roosevelt would have had a difficult time rousing America from its isolationism, he would have pursued as vigorous and assertive a foreign policy as possible. No doubt he would not have withdrawn American forces from Europe in response to France's occupation of the Ruhr valley in 1923. And no doubt he would have made major investments in aircraft, tanks and aircraft carriers. Probably he would have withdrawn U.S. troops from the Philippines.

Lessons of Principle

ROOSEVELT'S world is a very different one from our own. The Spanish-American War ushered in a relatively brief period in America's history when it had become a major power but still had to relate to the other powers as an equal. Throughout his presidency, Roosevelt had to worry more about Germany and Japan projecting their power to the Americas and Hawaii than about using American power on the Eurasian landmass. It is perhaps not surprising, then, that faced with a situation of approximate parity, Roosevelt pursued a realist foreign policy. Might not contemporary observers argue that TR's policy of relative caution as president is less relevant for a superpower?

Yet Roosevelt's policy towards Europe is still relevant. Roosevelt believed that as an island power, America's "natural" ally was Britain, which together with a France that was slowly becoming a midsize power, could counter-balance the strongest continental powers, Germany and Russia. Today, America's interest is still to counter periodically the strongest continental powers, the Franco-German partnership, and Russia. The Iraq War underscored that the medium-sized states surrounding the Franco-German partnership will probably continue to be the more reliable U.S. partners.

Similarly, Roosevelt's Asia policy remains relevant today and may be even more so in the future. Already, American attitudes towards China are similar to Roosevelt's views of Japan after the Russo-Japanese war: a combination of respect, wariness and rivalry. As China's power grows over the decades, the United States may want to emulate TR's willingness to accommodate a rising power—in his case, Japan—when necessary, while seeking clear military superiority. The United States may also want to accommodate a growing India in order to draw it more closely into a circle of partners concerned with China, just as Britain did with the United States during the 1890s.

One principle that has not changed since Roosevelt's presidency is the need to combine assertiveness, and sometimes ruthlessness, with a sense of limits: For power to remain powerful, it must be combined with moderation. The mature Roosevelt, the supreme realist, sought a balance of power in Europe and Asia and used ruthlessness to create Panama, but in a careful manner for important interests. At the same time, he came to realize that taking the Philippines had been a mistake. In doing so, he rejected the facile expansionist Anglo-Saxonism of his youth, a policy based on vague values, in favor of a political realism that focused on tangible national interests. And while Roosevelt was always an intense nationalist, he was sensitive to the differing interests of others and never took those differences personally. The young, somewhat bumptious "cowboy" ended his career as a statesman who spoke with measured courtesy, used guile and flattery, and prepared America to crush those who would not listen. □

Tom Parker deals with national security affairs in the Office of the Secretary of Defense. The views expressed in this article do not reflect the official policy or position of the Department of Defense or the U.S. government.

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